BRIDGING THE TECHNOLOGICAL GAP: INITIATIVES TO COMBAT THE DIGITAL DIVIDE

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BRIDGING THE TECHNOLOGICAL GAP: INITIATIVES TO COMBAT THE DIGITAL DIVIDE

TUESDAY, MARCH 28, 2000

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EMPOWERMENT,
COMMITTEE ON SMALL BUSINESS,
Washington, DC.

The Subcommittee met, pursuant to call, at 2:00 p.m., in room 2361, Rayburn House Office Building, Hon. Joseph R. Pitts (chairman of the Subcommittee) presiding.

Chairman PITTS. All right. Ladies and gentlemen, 2:00 having arrived we are going to call the hearing forward. Thank you for joining me and the other members who will soon arrive today to discuss private sector initiatives that are in place to help bridge the digital divide, the disparity between use of the Internet among the rich and the poor.

This is the second hearing that this subcommittee is holding on this topic. The first hearing, held last July, discussed the findings of the National Telecommunications and Information Administration's report, entitled Falling Through the Net, which defined the term the "digital divide." Since the release of this report there have been initiatives from the private sector and government that have been proposed and implemented to help combat the digital divide.

Indeed, the White House has proposed $2 billion in tax incentives and $380 million in new spending in the fiscal year 2001 budget to expand use of computers and training for teachers in computer-related skills. I believe that before this Congress considers any new government spending or programs it is imperative that we examine the methods that are already in place to expand the technological reach of this Nation's poorest citizens. To that end, this subcommittee has convened this distinguished panel of witnesses to receive their wisdom and to hear their experiences on achieving technological awareness and access for all.

Since the vanquishing of the dreaded Y2K bug the digital divide has become the new perilous buzz word in the information technology sector. In fact, the term digital divide encompasses more than a technology gap between Americans at the highest and lowest income levels. The NTIA studies reveal that those living in urban areas were more likely to be online than Americans living in rural areas and that white households were more than twice as likely to have Internet access as black or Hispanic households.

The digital divide is not just an American phenomenon. Italy recently announced a plan that would offer ninth grade students computers at a 40 percent discount to encourage them to use the

Internet. Additionally Venezuela is considering the introduction of prepaid cards to allow inexpensive Internet access at special community centers as part of a campaign to popularize the Web.

One of the overlooked issues in the national debate of the digital divide is the state of disrepair of the schools that are being targeted for new computers and upgraded technology. Many students there who suffer from a lack of access to technology also suffer from being exposed to under achieving schools, poorly trained teachers, and neglect from school board bureaucracies that become virtual economic black holes. Unless teachers are properly trained, and schools are held accountable for using their new found technologies in ways that advance the academic progress of their students, the introduction of new technology into these classrooms will not help solve most of these students' underlying academic deficiencies.

Indeed, a recently released report by the Children's Partnership pointed out that the Internet is virtually useless for the estimated 44 million Americans who read below the average literacy level.

The good news, though, is that there are many private sector initiatives that are poised to close the digital divide. Companies such as Microsoft, Raycom and Sun Microsystems are donating software, hardware and Internet access to students in underserved neighborhoods.

Today's panel represents a broad cross-section of the types of programs that I believe will help narrow the digital divide. Dale Mitchell, Executive Director of the Delaware Valley Grantmakers, from my home State of Pennsylvania will testify about her organization's efforts to partner nonprofit organizations and philanthropic institutions. Leslie Steen, President of the Community Preservation and Development Corporation, will speak about her organization's community technology center and its efforts to completely wire its 800-unit housing development. Darien Dash, who is CEO of DME Interactive Holdings, Inc., the first ever publicly traded black-owned Internet company, will discuss his tenure as technology chair for School District 5 in Harlem, New York. Robert E. Knowling, Jr., President and CE0 of Covad Communications, will testify about the Information Technology Association of America's digital opportunity initiative, which provides internship programs in the information technology for minority students. And Katherine Bushkin, Senior Vice President and Chief Communications Officer of America Online, will testify about her company's efforts to bridge the digital divide through the works of the AOL Foundation.

I look forward to the enlightening testimony of our panel.

Before I turn to—well, I guess the other members are not here. I will turn now to the distinguished ranking member, Ms. Millender-McDonald, for her opening statement.

Ms. MILLENDER-MCDONALD. Thank you, Mr. Chairman. I would like to again commend you on bringing this second hearing on the digital divide hearing to us. I would like to say that it was this subcommittee and its chair who brought the first hearing about falling through the net, defining the digital divide report coming out of the Department of Commerce. So I commend you for your efforts in continuing to keep us front and center on this.

I am indeed concerned about the digital divide given the fact that I do represent the south central part of Los Angeles all the way down to Long Beach in southern California, which takes up not only Watts but Compton, Lynwoods. Some of the most impoverished areas in southern California, as far as Wilmington, a highly immigrated community. And we see that the "falling through the net", report which defines the digital divide, speaks about the gap between the haves and the have nots. It is clearly an important issue, an issue that those of us in the Congressional Black Caucus as well as those of us in the Women's Caucus are completely concerned about because it is small businesses that will be bringing about the jobs, the largest creation of jobs, and clearly small businesses need a work force that is highly skilled and highly trained.

And so we welcome you here this morning as we continue the dialogue on the digital divide. And again I thank the chairman for his vision to continue to keep this before us. I do have a statement that I will submit to the record, Mr. Chairman. Thank you again.

Chairman PITTS. All right. Without objection. Thank you. We will now go to our testimony. We will begin with Dale Mitchell, Executive Director of the Delaware Valley Grantmakers, Philadelphia. Welcome. You may proceed. We will use the light system if you haven't been here before. You have 5 minutes and after 4 minutes the yellow light will go on, at the end of 5 the red light. We will try to keep as close as we can to the time schedule.

STATEMENT OF DALE MITCHELL, EXECUTIVE DIRECTOR, DELAWARE VALLEY GRANTMAKERS, PHILADELPHIA, PA

Ms. MITCHELL. Thank you very much. I will just start by giving you a little bit of background about Delaware Valley Grantmakers, known as the DVG. We are one of 29 regional associations of grantmakers nationally. We are a membership organization comprised of private and community foundations, charitable trusts, grantmaking public charities, corporate giving programs, and individual philanthropists in southeastern Pennsylvania, southern New Jersey and Delaware.

Our mission is to promote effective and responsible philanthropy, corporate social investment and community involvement by acting as a clearing house of information, strengthening cooperation among funders and grantees, informing and educating grantmakers, recipients of grants, public policy makers, and the broader community about social responsibility and philanthropy. We develop and encourage community leadership and work to foster the culture of giving and to increase philanthropic resources. We take an active role in addressing a range of issues, including community needs, effective decision making, and public policies that concern philanthropy.

DVG leads one of 18 coalitions from around the country who received funds from an organization known as New Ventures in Philanthropy to launch and support strategies to increase giving in their region. DVG's initiative is reaching out to the region's entrepreneurs and rapidly emerging growth businesses, particularly the information technology and e-commerce industries, to inspire and engage them in giving back to their communities through both long term financial support and volunteer assistance. Rather than en-

couraging this constituency to embrace philanthropy in general, the coalition is working to engage them in solving a real problem and utilize the talents that have made them successful in their businesses.

Through focus groups conducted with these industry leaders it was determined that many feel they have a moral obligation to ensure that all individuals and communities have access to technology and that they are provided with the tools and knowledge to enable them to compete and share in the new economy. These industry leaders also believe that developing and implementing strategies to bridge the digital divide are in their own best self-interests and they see social investment as a way to apply their entrepreneurial skills in a different arena.

The Eastern Technology Council, located just outside of Philadelphia, has a data base that indicates that there are more than 15,000 technology firms in the region, and that e-commerce alone was responsible for the creation of more than $14 billion of market capital in 1999. Obviously this region has the potential to bridge the digital divide through both the intellectual and financial capital of these industries.

Based on the theory held by many that the most effective solutions to social ills must come from those closest to the problem, DVG is developing and implementing strategies to foster cooperation and partnerships between the region's nonprofit organizations, philanthropic institutions, corporations, the public sector at the Federal, state and local level, and these rapidly emerging IT businesses to bridge the digital divide.

We will encourage effective and creative new strategies, leverage resources and work to strengthen and replicate the many initiatives that are already under way in the region. These initiatives include but are not limited to, the Free Library of Philadelphia Bits and Bytes Project, funded by the William Penn Foundation, which conducts computer clubs where children and teens learn how a computer works, basic computer vocabulary, keyboard skills, research on the World Wide Web, et cetera. The project also helps children, teens, parents, teachers and child care providers learn to use these new technologies to access information and enhance learning.

A project with the School District of Lancaster, Pennsylvania, funded by the recently created Lancaster Osteopathic Health Foundation and another local foundation, will provide school principals and administrators with access to technology to keep them on the cutting edge of child health and wellness development.

The Pennsylvania Department of Community and Economic Development is seeking to match the State's $3 million investment to continue the initiative to have Internet capacity in licensed child care centers throughout the commonwealth. Based on surveys of youth in selected neighborhoods of Philadelphia which indicated that the activities of greatest interest were computer clubs—I am going over my time here.

Chairman PITTS. That is all right. You can wrap it up.

Ms. MITCHELL. Their interest was in computer clubs, a collaboration of community groups, foundations, corporations, the city's Department of Recreation, the school districts and others are estab-

lishing technology resource and research centers to provide resident youths, age 6 to 16, with access to technology by collectively increasing the capacity of after school projects that are existing and currently exposing program participants to technology.

The CIGNA Corporation funded the computer learning centers at elementary and high schools in Philadelphia and Hartford, Connecticut, entitled Technology Training for Integrating Math and Enhancing Science. The IBM Corporation's We Have Narrowed the Digital Divide, You Can Too, which showcases the success of IBM and the United Way Teaming for Technology and KidSmart initiative, which provides early literacy tools to children 3 to 6 years of age. IBM's Global Reinventing Education Initiative, where in Philadelphia the reinventing education model for teachers focuses on effective use of technology integrated into the curriculum and voice recognition technology for special needs students and those who have English as a second language.

Through funding provided by the Howard Heinz Endowment, the Pennsylvania Humanities Council will offer programs on technology and community at 10 sites in southwestern Pennsylvania. Programs will include both face to face and virtual discussions on the ways that information technologies are changing society.

And finally our Pennsylvania Education Secretary announced 5.2 million in grants awarded to 26 projects to strengthen information technology training across the State. And this morning's Philadelphia Inquirer noted that the newly created Lendfest Foundation in Chester County provided $600,000 to provide software, free software and training in Internet use for elderly. And that grant was presented to an organization called Generations On Line in Philadelphia. Thank you.

[Ms. Mitchell's statement may be found in appendix.]

Chairman PITTS. Thank you, Ms. Mitchell. We will have questions to explore these a little bit more. I would like to welcome Representative Mark Udall from Colorado. He is not a member of the subcommittee, but he is a member of the full committee and he has expressed a great deal of interest in this—Tom Udall. I am sorry.

So we will go now to Leslie Steen, President of Community Preservation Development Corporation, Washington, D.C.

STATEMENT OF LESLIE STEEN, PRESIDENT, COMMUNITY PRESERVATION AND DEVELOPMENT CORPORATION, WASHINGTON, D.C.

Ms. STEEN. Good afternoon, Mr. Chairman and subcommittee members. I want to thank you for this opportunity to appear before the subcommittee and offer the views of Community Preservation and Development Corporation on the digital divide. You are to be congratulated for having the forethought to convene this hearing and investigate the issues.

Community Preservation and Development Corporation, known as CPDC, has been actively bridging the digital divide for 4½ years in seven low income communities. CPDC works to revitalize communities by providing affordable housing and connecting people with resources and with their neighbors to enable communities to be strong, self-reliant and sustainable.

I don't have to tell you about the reports like the Department of Commerce's Falling Through the Net, you are very aware of this. But I do want to call to your attention how a real community is embodying the power, speed, and what is rapidly becoming a basic need of technology. What I do want to emphasize is the need for all of us to make a conscious effort to help prevent citizens from falling through the net, not tomorrow but today.

Edgewood Terrace in Northeast Washington, D.C., offers a prime example of how CPDC and a community work together to implement the goal of revitalization. In 1995, CPDC received a request for jobs from the residents of Edgewood Terrace, then a development of 884 HUD subsidized apartments that were seriously deteriorated and subject to significant criminal activity and economic depression.

This is a picture of a community needing solutions. To find that solution CPDC turned to technology. In 1995, it was clear that the jobs of the future would be in technology so we set out to bring that resource to Edgewood Terrace. When we graduated our first job training class, we gained, for the first time, a real appreciation of how powerful technology could be as a redevelopment tool.

Our approach to revitalizing this community combined a substantial rehabilitation of the physical structures with the community building programs centered on the use of technology. This produced both safe and attractive housing appealing to people of all incomes and even engaged and civic minded community.

With us today is Bridget McLaurin, a graduate of our first class. Today after several jobs and promotions Bridget works for National Geographic.com earning over $30,000 and she is a junior at Catholic University. One after another her aunt and cousin also have graduated to successful employment from our classes. Bridget, her family, and her neighbors have recognized what technology can do for them. Technology provides for them the opportunity to leapfrog numerous obstacles and to join the economic mainstream of the 21st century.

Today our average graduate earns $23,000 upon graduation and is prepared to succeed with a career plan, hard skills, the right attitude and appearance and an understanding of what it takes to make it. The availability of technology has motivated the residents of this community and its surrounding neighborhood to overfill our four computer classrooms. The technology is a drawing card like none we have ever seen. The people know what it can do for them and they want it.

Edgewood terrace is being turned into an electronic village. Our goal is to wire all of the apartments to access to a community network, community Web site, and high speed access to the Internet. Using a newer technology known as thin clients, we have created a manageable and sustainable community network giving all apartments use of a full range of Microsoft software without the headaches of daily care and feeding of computers in apartments.

CPDC has been able to make all of this technology available through the efforts of numerous partnerships. This all started when the Department of Housing and Urban Development gave us the critical seed money and created the outstanding Neighborhood Networks Program. Microsoft followed with a meaningful relation-

ship to help us access more resources and of course its software for everyone. Netier donated thin clients. Data General donated servers. Data Transit gave time and expertise in integration and support.

Our educational partners include Catholic University of America, which teaches part of our career enhancement programs and provides graduates with college scholarships; Bell Atlantic, which sponsors one of our technology employment programs; George Washington University, which provides interns in career assessment and evaluation; Morino Institute, which is teaching us how to use the Internet to effectively grow children's minds; and corporate leaders on our advisory board such as Fannie Mae, Edelman Public Relations and Bell Atlantic. And now the Department of Commerce's National Telecommunication Information Administration's Technology Opportunities Program is enabling the extension of the community network to the rest of the apartments to serve the needs of the residents who are clamoring for access to the resource.

Koenie Carter, who is also with us today, graduated from our employment program and entered college after overcoming many obstacles common to people in disadvantaged neighborhoods and working at several menial jobs. She represents the win-win relationship between CPDC and its business partners. She has tripled her income and is working for a biomedical division of Catholic University.

It is important to recognize that this technology is being used as a community building tool. This is not just about access. Access is a tool given to people. Strong, economically vibrant communities are the result of what we can do with this tool. Mr. Chairman, it has been a long road to bridging the digital divide at Edgewood Terrace but we will continue to expand this model. Why? Because as Jonathan Alter of Newsweek put it, the computer is not a deus ex-machina, a god that can fix every social injustice. Access to technology won't by itself level the playing field. If you wire them, they won't necessarily prosper. You have got to facilitate the possibilities. CPDC is doing just that with the Edgewood Residents Technology Advisory Board, e-Tab.

Also with us today is Patricia Fisher, an active member of e-Tab and one of our newest graduates of the employment program. She is a single mother with a 5-year-old son. She has been on and off public assistance and her last job before entering our employment program was at Starbucks. Pat graduated, took a term contract job with a business and policy research firm, and now has three job offers. And best of all, Pat moved to Edgewood Terrace to be part of the electronic village and join e-Tab.

To use the resource called access, e-Tab and CPDC are in the process of building a Web site to serve the needs of the community, a chat room for the teens to talk about self-esteem and relationship issues, a community bulletin board for notices of meetings, a portal to educational Web sites for the children, health screening for the seniors, and whatever else the community determines are worthwhile endeavors.

To make this happen, a governance structure is evolving within the community. People come to meetings to discuss the community

network and how it should be deployed. They have formed committees and have established rules of conduct for the use of the network. They are teaching each other how to use the technology. We do not have a help desk at Edgewood Terrace. The residents are their own help desk. They are creating relationships with their neighbors where none existed before. In short, they are relying on each other, not on CPDC or the government.

I urge you to be a catalyst to encourage the Silicon Valleys of America to invest in our cities, our underserved citizens, our community based organizations that can fill the void and given the Nation a return on its investment that has not been seen before. Technology is radically changing the social landscape of Edgewood Terrace. If CPDC can find the financial means, we intend to replicate this model to turn other depressed communities into vibrant, self-reliant centers of economic activity. In 3 years the electronic village at Edgewood Terrace will be the click heard round the world.

Thank you.

[Ms. Steen's statement may be found in appendix.]

Chairman PITTS. Thank you. That is quite a story. Scott Mills, Executive Vice President, Chief Operating Officer of BET.com.

STATEMENT OF SCOTT MILLS, EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER, BET.COM, LLC, WASHINGTON, DC

Mr. MILLS. Good afternoon, and thank you for this opportunity to share BET.com's efforts to address the digital divide in the African American. BET.com is a joint venture between BET Holdings, Microsoft Corporation, News Corporation, USA Network and Liberty Digital. The company is majority owned and controlled by BET Holdings and is based here in the District of Columbia. The company's mission is to educate, empower, enrich and entertain the African American online population.

BET.com launched our Web site on February 7th, containing over 20,000 pages of original and partner provided content, robust online communities and leading edge communication features, all tailored to the African American perspective.

African Americans currently underutilize the Internet relative to other ethnic segments; however, African Americans are projected to be the fastest growing online ethic population in 2000. However, failure by any community to fully utilize the Internet will adversely affect its effectiveness and ability to compete in the 21st century. As a company dedicated to serving the African American online population, BET.com has focused on understanding and developing strategies to address the digital divide.

We believe that market activity, including our own, will eliminate the vast majority of the digital divide facing the African American community. We also believe that the portion of the digital divide that cannot be bridged by pure market forces should be addressed through a combination of public and private efforts. A great deal of focus has been appropriately placed on the role economics play in the digital divide.

Cost and related issues are impediments for a portion of the African American population that is not currently online. However, changes in PC and ISP pricing models are making cost less of an

impediment. With the proliferation of free ISPs, free Internet access is now widely available. And there are many new moderately priced PC–ISP packages and a growing list of low cost non- PC based Internet access devices available. As a result consumers can now buy bundled PC–ISP packages for a monthly fee that is less than the cost of basic cable service in many areas.

BET.com is planning to deploy two new services based on these pricing models. The first service is a completely free BET branded ISP. This free service will not require credit approval nor require consumers to surrender excessive amounts of personal data. The service will be available via software download on the BET.com Web site and may be distributed via CD–ROMs and BET Holdings' magazines, which have a circulation of over 2 million African Americans. We believe this free ISP offering will be very attractive to African Americans who already own Internet access devices and are seeking a low cost Internet access alternative.

Our second planned offering is a low cost bundled PC–ISP package. This offering will provide consumers with a high quality PC, a comprehensive software package, unlimited Internet access and robust customer service for less than $30 a month. Recognizing that credit may be an issue for some, BET.com is evaluating credit facilities that will allow us to provide a package to consumers with relatively low credit scores. We plan to market this service throughout BET Holdings' media properties and distribute directly to consumers. We believe that both free Internet access and bundled low cost PC–ISP offerings will significantly reduce the economic barriers to Internet access.

Cost however is not a barrier for some portion of the African American population that is currently off line. Instead, weak consumer demand and alternative expenditure priorities are responsible for this segment's underutilization of the Internet. For example, according to the Target Market News report on buying power of black Americans in 1999, African Americans spent $3.5 billion on cable television subscriptions and only $89 million on online computer services. This lagging consumer demand in the African American community stems in part from limited targeted marketing of the Internet to African Americans and the relative paucity of online offerings tailored to this community.

Over the past several years there has been a proliferation of well-funded Web sites targeting various affinity groups, including women, Hispanics, Asian Americans and the gay and lesbian community. These sites were able to apply their capital to develop compelling and comprehensive online destinations. Until recently African American oriented Web sites and Internet ventures had great difficulty attracting the capital required to develop comparable online destinations. As a result, online offerings tailored to African American community paled relative to those of other affinity groups.

Of course the appeal to the Internet for African Americans is not limited to culturally oriented Web sites. African Americans visit a vast array of Web sites, many having nothing to do with ethnicity. However, until very recently most Internet companies, both general market and African American, did not aggressively market their offerings to the African American community. This is evidenced by

the historic disparity in advertisement for online services in African American media properties versus general media properties.

Fortunately this is changing. A number of major well-funded African American-oriented Web sites will be launched in 2000. BET.com is the first of the new sites to enter the market. With $35 million in initial capital and power strategic investors, BET.com had the resources to build the comprehensive online destination and aggressively market to the African American community. By applying these resources BET.com was able to become the largest and most heavily trafficked African American portal during its first month.

Other similarly resourced sites tailored to African Americans in urban communities are scheduled to launch this year. We believe that the combined effect of the substantial increase in online offerings tailored to African Americans and the active marketing of these offerings to African Americans will also significantly increase African American awareness of and use of the Internet.

In conclusion, we believe that African American utilization of the Net will increase substantially over the next 18 months and the effects of, one, low cost Internet access devices, two, the deployment of compelling African American oriented Web sites and, three, the targeted marketing of the Internet to the African American population are realized. However, there will be a segment of the community for whom these forces will be insufficient. This segment will be best served by combined public and private sector initiatives to bridge the digital divide.

[Mr. Mills' statement may be found in appendix.]

Chairman PITTS. Thank you, Scott. Next witness is Darien Dash, CEO of DME Interactive Holdings from Englewood Cliffs, New Jersey.

STATEMENT OF DARIEN DASH, CEO, DME INTERACTIVE HOLDINGS, INC., ENGLEWOOD CLIFFS, NJ

Mr. DASH. First, I would like to thank the subcommittee for continuing to support this issue of the digital divide and keeping it in front of everybody's minds because we all know how important this is. I have come today without a speech because I wanted to speak from my heart.

I founded my company 5½ years ago on the mission of expanding the hardware and software infrastructure within minority communities. After being in the cable industry for a year and seeing the disparities that were going on between new digital technologies that were being marketed in 1993 and 1994 in African American communities and Hispanic communities versus majority communities, I decided to do something about it and I quit my job the day after I was married and founded our company in a one bedroom apartment. Last year we became, after self-financing for the first 4½ years, the first African American Internet company to be publicly traded in U.S. history. For us that is a testament to one thing, and that is that hard work and striving in any community can lead to development and that African Americans as a consumer group, like Scott has just eloquently said, are a true consumer group that represents over $533 billion and there are business models that need to be built.

Our company's whole agenda is to try to perceive a business to people in the communities so they can be inspired to want to participate in the digital revolution. African Americans and Hispanics have not perceived the Internet as something that is for them from a business perspective. They have not seen role models that have represented this Internet generation in the media. Not only have PC manufacturers, ISPs as well as content developers not marketed their e-commerce and content services towards this community, the role models have not been represented in the Forbes 400. The role models have not been represented to African American and Hispanic youth.

Our company's goal is to be able to build that sort of perception in the marketplace. I am now the chairman of District 5 for Technology Committee in Harlem. What we have done is put together a consortium of public and private partnerships to allow the children in that community to see company names like Oracle involved in this community, company names like Mouse, which is a very big nonprofit in New York that goes in and wires schools, Eureka Broadband. They see these companies' names and at a young age can start to identify with the technology and the people who are providing these technologies to them.

Our goal is also to be able to support the entrepreneur who wants to put their business online. Our core business has traditionally been in B to B where we go out and actually support the Queen Latifahs and the Puff Daddies of the world who are the big role models in the African American community on putting their businesses online. We provide them with backing solutions to help them do their e-commerce, content development, strategic planning, and long term planning.

Well, the digital divide from a dial-up perspective has been something that has passed these inner city communities today. We have to look long term, we can't just look today and we give dial-up ISP service and PC service and say, hey, we solved the digital divide because that is not true. While these communities are now just starting to catch up in the old school model of Internet we are about to launch the new school model of Internet, which is called I–2. And I–2 is based on broadband and wireless deployment, network computers and wireless devices. What we cannot fail to see is that broadband deployment has to be pushed by the telecommunications companies within these inner city communities, because we cannot put people onto an old system while the whole new generation passes them by, because we would have bridged the gap only to create a new one.

Our company's goal is to continue to support the perspective of these inner city communities as they look at technology and helping them to understand and retain the knowledge of technology, because that is really what needs to happen to bridge in divide.

I applaud all of my peers' efforts in going into our community, and we have recently announced a strategic partnership with America Online to build a relevant branded service called Places of Color, where we can go in and build on a nucleus of training, distance learning, certification, job placement, and relevant content for a price point that is affordable. And we are also bundling with PC manufacturers so that we can go in with both solutions. But we

have to continue to look outward and look on to the horizon as the rest of our peer groups are doing in this Internet industry and see that broadbands and wireless are the next generation. We also have to go in and let these inner city kids realize that they too can participate. It is the economic future of our country that we have a generation of youth that understands technology, embraces it, can deploy it, can be entrepreneurial with it. Otherwise this country will fail. Our economy will fail and we will continue to have to look outwardly instead of inwardly for the next generation to support what we are doing.

Thank you.

[Mr. Dash's statement may be found in appendix.]

Chairman PITTS. Thank you very much. The next witness is Harris Miller, President of the Information Technology Association of America, Arlington, Virginia. Welcome.

STATEMENT OF HARRIS N. MILLER, PRESIDENT, INFORMATION TECHNOLOGY ASSOCIATION OF AMERICA, ARLINGTON, VA

Mr. MILLER. Thank you, Mr. Chairman. Bob Knowling, the CEO of Covad, wanted to be with you today but he had a last minute emergency. But he is the Chairman of ITAA's Digital Opportunity Initiative, and so I am speaking for the entire committee. Just a couple of small data points, Mr. Chairman.

Since I visited with you at your first hearing last year, about 10 million more Americans have come online, about 80 million more people around the world, just to give you an idea of how fast this industry and this Internet grows and how rapidly it does.

I would also mention that the individual from the administration who was here last year to speak about the digital divide report, Mr. Larry Irving, is now himself out in the private sector helping to create content to attract more African Americans to the Internet. So obviously maybe you helped convince him that was one of the obstacles.

I would also mentioned, I am sure, great minds think alike. I mentioned that perhaps BET could create an idea of a Web site, and I am very pleased that BET has come to fruition though I have not been given any shares in the company. But I do commend them for that opportunity.

The incredible growth of the Internet still convinces me, Mr. Chairman, that we are still using the wrong phrase "digital divide," so I encourage this committee to change its terminology to "digital opportunity." in fact, if you notice President Clinton's recent announcement he headlined from digital divide to digital opportunity. Now the head of the World Bank is talking about the digital opportunity, the OECD, the United Nations.

Because of this rapid growth you have heard from the previous witnesses, the creation of new content, the creation of new options, the creation of new incentives for people to come to the Internet is what is making this so exciting.

As we discussed last summer, Mr. Chairman, no technology has ever grown as rapidly to Main Street and even down into lower income as has the Internet. Not television, not radio not automobiles,

not cable television, nothing has ever grown faster as a technology and in terms of adoption as the Internet.

As Mr. Mills pointed out, every indication is that the fastest growing community now on the Internet is in fact the African American community. So I think these are all very positive signs. But we still have some major opportunities to address.

One of the opportunities we must address is the absence of minorities as IT workers. The problem is not, I would contend, discrimination that we have had traditionally where some industries as they grew up in the Industrial Age intentionally discriminated against people of color. Really the issue is training and education. As an example, in 1998 according to the Computer Research Association's study, only 10 African Americans received Ph.D.'s in computer science. Only 6 Hispanic Americans did likewise. Other 2 percent of undergraduate computer science degrees went to African Americans or Hispanic Americans.

The IT work force data we have examined similarly is somewhat disheartening. African Americans represent only 5.4 percent of all computer programmers, yet they are over 10 percent of the U.S. working population. Hispanic Americans only 4.6 percent of all computer programming jobs and native Americans only .2 percent of the total science and engineering labor force. Clearly, many minority groups are severely underrepresented in the IT work force. And again I do not believe it is a case of employer discrimination, rather a case of education and training.

So ITAA is focusing on what we call the digital opportunity initiatives intended to create new opportunities, to create a more diverse cross-section of Americans into the IT community, primarily through comprehensive internship programs and a broad based commitment from our member companies and targeted education and outreach. As I mentioned, Robert Knowling, the President and CEO of Covad Communications, is chairing the initiative and is working hard to recruit companies to participate in this activity.

We have already created, for example, a Web based internship program located at WWW.digitaljobs.com, which is targeted to attract underrepresented groups. Companies that have already signed on to offer internships include Covad, Lucent Technologies and Cyborg Systems. This opportunity is for minority students who are in 2-year or 4-year accredited institutions and have at least a 3.0 or better to apply online for internships working in high tech companies, and the high tech companies in turn will post online their job opportunities.

Now, the only challenge we have here then is to use the technology itself to link the prospective minority interns with the companies who are actively looking to recruit these people into their companies. We will then track the progress of these students to try to make sure that they continue with their education and training, and we hope become part of the work force so that when I come back to you next year or the year after we can report a much higher percentage of minority students in these programs.

We are also working with various groups such as Blackvoices.com, the Black Data Processors Association and the Society for Hispanic Professional Engineers to work on programs to create awareness of these kind of opportunities. We are also

partnering with the Tech World Public Charter School in Washington, D.C., which prepares students for careers in information technology. I have been very impressed, for example, by the president of the sophomore class who last year did an internship, an IT internship at a local company here and made more money than his family had ever made in 1 year in just 2 months.

We are also creating a digital opportunity think tank to bring together people of all walks of life to figure out ways to create even more opportunities to bring people who have not been in the IT industry previously into the IT industry. Admittedly this is selfish to some extent, Mr. Chairman, because the IT industry has a well-documented shortage of skilled IT workers. To solve the problem we have to reach out to women and minorities to bring them in. We believe that this initiative, these internship programs, working with the charter schools and others will bring more underrepresented groups into the IT industry and help make the digital opportunity even more of a reality.

Thank you very much, Mr. Chairman.

[Mr. Miller's statement may be found in appendix.]

Chairman PITTS. Thank you very much for your testimony this year as well and for reminding us to use the term "digital opportunity." I will try to remember that.

Our last witness is Katherine Bushkin, Senior Vice President, Chief Communications Officer of America Online.

STATEMENT OF KATHERINE BUSHKIN, SENIOR VICE PRESIDENT AND CHIEF COMMUNICATIONS OFFICER, AMERICA ONLINE, INC., DULLES, VA

Ms. BUSHKIN. Thank you, Chairman Pitts and other members of the subcommittee. On behalf of America Online and the AOL Foundation, I appreciate the opportunity to appear before you today and discuss the digital opportunity.

America Online, as most of you know, is an Internet services company. It is based in northern Virginia. And just as committed as we are to building a company that serves now 22 million consumers, we are equally committed to ensuring that the medium we are building is one that can serve all Americans regardless of their station in life. Clearly in order to fulfill that potential all communities and all people must be able to participate in the new digital economy regardless of income, race, geography, or disability. So we salute the subcommittee for focusing today on the importance of ensuring digital opportunity for all.

Our assessment is that progress is being made in closing the digital technology gap. Yet it is also the case that there are still significant disparities in access to and use of the Internet. The bottom line is that this medium won't have fulfilled its full potential if people with disabilities don't have access to its rich content, if kids in inner cities never experience the magic of interactivity and if entire rural communities are isolated from this revolution.

We believe, as another witness said today, that we have a moral responsibility to make sure that every person has the chance to succeed and to be part of the digital economy. And it is an economic challenge as well because in a networked economy people who are already connected benefit each time more people are con-

nected. So beyond the statistics that are well known now about the gap in demographics, there is also another issue that is critical to our future economic health.

Although the United States is the birthplace of the information revolution, the American work force is not yet ready fully to reap its benefits. The Department of Commerce estimates that in just 2 years some 60 percent of jobs will require high tech skills. By 2005 there will be a growth of 70 percent in technology related jobs. Yet according to a recent study more than 340,000 high tech jobs in the U.S. computer industry remain unfilled, and we are not training students for the skills they will need.

AOL believes that the online medium holds extraordinary promise for low income and underserved communities to join the economic, political and social mainstream. That is why we believe it is so critical to find ways to turn the digital divide into digital opportunity and use it to close the gap. We think there are four elements necessary to achieve meaningful access to information technology.

The first is that we must ensure that all people have physical, structural access to information technology on the Internet. This includes hardware, software and affordable connectivity. Second, we must ensure that people have sufficient skills and training. Not only is it necessary to have the skills to use the equipment, but analytical skills are also critical to being able to use it effectively to participate in today's high tech workplace.

Third, as several witnesses have noted, we must provide content that is useful and relevant to traditionally underserved communities, including low literacy content, content with diverse cultural perspectives, content in many different languages and content reflecting the unique needs of individual underserved communities.

And fourth, we must undertake the necessary public education to ensure the communities appreciate the need to adopt and integrate the new medium so that communities can participate in the digital economy and their children can be successful. These four elements are the underpinnings of what AOL and the AOL Foundation has tried to achieve in the last few years as we have worked in partnership with other companies and governments and nonprofits to find ways to bridge the digital divide. We focus first on schools because we think schools are where the skills are most important to be established and built from the top down. We don't think this is a matter simply of hand me down computers or continuing the debate whether technology matters in education. We must make every attempt to ensure that those who need support in schools can have it.

Two years ago we established an Education Initiatives Grant Program that awards seed money to teams of educators, parents and school administrators with innovative ideas for using interactive technology. We have done over 110 of those grants and we have learned a lot already about what works and what doesn't. But we know schools aren't the only source of solutions for the digital divide in that it will take a lot more to get past it.

So this past November we initiated a program called PowerUp, comprised of more than a dozen nonprofit organizations major corporations and Federal agencies. The idea behind power up is quite

simple. It is not enough to give people access to the computers and the Internet we have to teach them the skills to make the most of that technology and the guidance they need to make the most of their lives. Based in schools and community centers around the country, PowerUp not only will provide young people with access to a wide range of content and information on the Internet, it will also help them develop the additional skills they will need in the 21st century. We think PowerUp can be scaled quickly and we intend to have centers in 250 locations by the end of this year.

We are also working with the Leadership Conference on Civil Rights to help bring participation into the 180 organizations that are involved in the leadership conference and we are working with a number of other organizations to build nonprofit capacity as people are starting to use the Internet more in other ways.

I want to close with four things that I think the subcommittee needs to keep in mind as you follow this issue. The first is that we are just at the very beginning of this evolution of information society. We are going to see much more innovation and growth. And now is the time to help shape it.

Second, it is critical to remember that the new medium offers as much opportunity to bridge the gap as it does to widen it. The paradox of this medium is that with very little money and a Web site anyone can have the skills to reach a market that was previously unheard. Communities that have not had access to traditional investment capital can use it for economic development. Underserved populations that have been marginalized politically can use to have their voices heard.

Third, keep in mind that the role of intermediary organizations, nonprofits and others can be critical in bridging the digital divide. We cannot see underserved and remote communities fully embracing the opportunities and benefits of the Internet unless those organizations are fully prepared to help their constituents.

And finally, we believe it is important to make sure that entrepreneurs from all walks of life, racial and socioeconomic backgrounds are given the same opportunity that Steve Case had 15 years ago when he was able to start AOL. We think we have a golden opportunity to make the Internet a medium that serves and empowers all segments of our economy so its transformative success is truly integrated throughout our society. We think we can meet this challenge if we work together to ensure that the 21st century is about digital opportunity for all and a new opportunity for all Americans to come into the economic and political mainstream.

Thank you.

[Ms. Bushkin's statement may be found in appendix.]

Chairman PITTS. We will now go to questioning by the members of the subcommittee. I am pleased to note that the gentleman from Kansas, Dennis Moore, has joined us. First, we would like to do one round for Dale Mitchell. Dale has to leave to catch a train at 3:15. So if I can ask the members in the first round to just ask Dale questions. I will start.

Dale, could you provide the subcommittee with a little bit more information regarding the project you mentioned, the School Dis-

trict of Lancaster and the Lancaster Osteopathic Health Foundation? Can you tell us more about that?

Ms. MITCHELL. I cannot tell you a great deal more about it. I believe it is being announced publicly today. Bob Haig, who is head of the Lancaster Osteopathic Health Foundation, just gave me this information late last week but they are very excited about it and hope to work with all the schools and the principals in the Lancaster County area.

I think there is a news release that is going to come out on it today. I will ensure that your office gets it.

Chairman PITTS. In your testimony you mentioned several Delaware Valley Grantmaker partnerships that involve programs for young children. How important do you believe it is for children to be exposed to information technology at an early age and what is the key to closing the gap with these partnerships?

Ms. MITCHELL. Well, it is critically important. Before joining DVG as its executive director 5 years ago, I spent 30 years of my career with the IBM Corporation. So I learned early on what a critical tool technology is for people to succeed. And as was mentioned by other panelists here today, there is a growing need in the information technology industry itself for employees as many of you I am sure know we are bringing in employees from other countries because there aren't enough people in this country who have been trained and educated in information technology. And that is why it is so important if we want to remain competitive.

Chairman PITTS. How receptive have information technology firms in your region been towards the Delaware Valley Grantmaker initiatives to bridge the gap?

Ms. MITCHELL. We are starting to see a great deal more receptivity to it. In working with the Eastern Technology Council, and these firms are all members of that council, I will say that I felt for a while over the past 2 years that we have been working on this initiative that I wasn't getting anywhere. And just in the past few months and I certainly think all the national attention that is being paid to it by not only the Clinton administration but certainly others and seeing organizations like Microsoft and AOL becoming so involved in it, they are now starting to express a great deal of interest and want to know what is going on out there and how they can be of help and partner with our more traditional philanthropists and the nonprofit organizations. I think what we need to ensure is that we not only keep having discussions like this but that incentives are put in place to encourage these businesses to get involved, tax incentives being one of them.

Chairman PITTS. Ms. Millender-McDonald.

Ms. MILLENDER-MCDONALD. Thank you, Mr. Chairman, and thank you, Ms. Mitchell, for your great testimony this morning along with all the others. You were very insightful and certainly encouraging. But I want to ask you this, Delaware Valley Grantmakers group, how many folks do you have, how many corporations and charitable trusts make up that group?

Ms. MITCHELL. It is 154 organizational members and within those organizations we have close to 700 people who are members of the organizations because—of our association because they are either staff or trustees of those organizations. About a third of

them are corporate, either corporate giving programs or corporate foundations.

Ms. MILLENDER-MCDONALD. A lot of the groups conducted with this industry leadership determined that they felt a moral obligation, which I think is so critical. What do you think made them get to that point of seeing this as a moral obligation?

Ms. MITCHELL. Well, I think as many business people in this country, certainly not all of them, but we have a rich history and tradition of corporations being socially responsible. And those that are in this particular industry I think are beginning to see that if we leave people behind and don't provide them with this digital opportunity, then they are not holding up to their moral responsibility. And it is in their own self-interest. It is their future employees, their future clients, so that is certainly a big piece of it.

Ms. MILLENDER-MCDONALD. This is the one thing that we try to convey to businesses when we meet with them, that it is in your best interest, it is your future workers. And clearly if they do not see it as a moral obligation, given the fact that I think you stated or some of the others, that we are having to go outside of this country to bring in skilled workers because of a lack of persons being eligible to go to these jobs in Silicon Valley and all over the country, that too should say a lot. That speaks volumes to the need for our business folks to look at this and the educational institutions too, as coming from an administrative position in education, we were worlds apart in business and education until all of a sudden they see that we must bridge and become partners.

I really applaud you and all the others who are part of your group in trying to bring about this digital divide. I will not continue to move from that, Mr. Miller, until I have seen this divide or this gap closed.

The other thing that I wanted to ask you, Ms. Mitchell, and I am pulling it from your statement, that is why I am underscoring all of what you have—obviously the region has the potential to bridge the digital divide through both the intellectual and financial capital of these industries. Explain, expound on that just a little bit more.

Ms. MITCHELL. I want to take the opportunity since the AOL Corporation and Foundation is represented here today, I had the opportunity to hear David Eisner speak from AOL a couple of months ago and he was the first I heard who said we have a moral responsibility. And then I started to talk to folks in my own region and they agreed with him. And one of the things in talking to these folks, and also David said it, many of them in the early stages of their business don't feel that they can give a lot of money to this cause at this point but they can certainly provide the intellectual capital to it and——

Ms. MILLENDER-MCDONALD. That is, intellectual capital.

Ms. MITCHELL. They have the knowledge since they are in the information technology industry to go into schools, community centers, et cetera, as volunteers and share their knowledge.

Ms. MILLENDER-MCDONALD. Okay. And that is very true. But in my area of Watts, we certainly could, and would applaud anyone who comes in, albeit BET, to give that intellectual knowledge base and mentorship if you will. But there is also a critical need for funding to go into the hardware-software part of it. Because you

can mentor for days and years and yet if you don't have that tangible product on which you transfer that knowledge it is not as worthwhile.

Ms. MITCHELL. We are hoping to tap both of that, the intellectual as well as the financial. I think in any type of charitable giving in this country research reflects that those that go there and volunteer first then grow into the biggest givers in this country. So we are hoping and that is why we also want to partner some of these rapidly emerging growth businesses with our more traditionally philanthropies like the William Penn Foundation in Philadelphia, the Microsofts, the AOLs, who are higher in the curve in their success, and leverage the resources.

Ms. MILLENDER-MCDONALD. I know my light is on, Mr. Chairman. I want to mention though that is true. I think the intellectual part of it is so critical for those in the business industry to go and speak with the top level administration in schools and educational institutions because they too need that type of mentorship and training, and who best to give that but those who are the top brass on both ends.

Just concluding, the IBM Corporation We Have Narrowed the Digital Divide, You Can Too. How many other groups are working with them on that outside of the United Way?

Ms. MITCHELL. They are holding a conference later this week to get other nonprofits to team with them on this. They are hoping that this just begins to be replicated all over the country.

Ms. MILLENDER-MCDONALD. Thank you, Ms. Mitchell. Thank you, Mr. Chairman.

Chairman PITTS. Thank you, Ms. Mitchell, for your testimony. I think we are getting you out of here in time to catch the train.

Ms. MITCHELL. Thank you very much.

Chairman PITTS.We appreciate you coming in today.

Ms. MITCHELL. I will leave some of our just off the press newsletters that came out yesterday that talks all about "now I will call it the digital opportunity, we unfortunately call it the digital divide.".

Ms. MILLENDER-MCDONALD. You keep going, Ms. Mitchell, on that with me.

Chairman PITTS. All right. We will begin our second round of questioning. I will start with Darien Dash. Your testimony, Mr. Dash, was very, very interesting. You mention in your position as technology chair of School Board Number 5 in Harlem what has been the response to the technology that has been provided to the schools. And you also mentioned I think a public-private partnership. If you could explain that a little bit more as far as the schools.

Mr. DASH. In Harlem it was a unique situation because I came into a district after the superintendent had changed that traditionally had been the worst district in Harlem. They probably were the furthest behind on technology than any other school district or area in Harlem. What we had to do was to figure out a way creatively to get machines and access broadband access into the schools and also to provide content that the kids could relate to and could embrace.

So as chair what I did was put together a board of public-private sector partners that I knew could bring value added to the table. So Oracle has come to the table with network computers as well as the Beehive, which is a networked based, Internet based community. Eureka Broadband came and wired the schools and Mouse, a nonprofit organization, helped to bring Compaq and Alta Vista to donate some 750 machines to the district so we can have at least 30 to 40 machines in each school. We launched the Secretary of Commerce Daley's digital divide tour in the district and he actually came and did a brief tour of one of the schools and had an opportunity to see how the kids had embraced the technology and what a difference it was actually starting to make in the school.

The children often don't have access outside of the school, and they don't go to the public libraries after school because that is what they call corny. So they don't want to go to the public library after school. So therefore when they are in the class they have, you know, very brief opportunities to really interact with the computer. There are so many kids and there are so many other problems that exist in the school the few moments that they have with the technology has made a difference for them.

Chairman PITTS. You mentioned a new school model that you were developing. Are you talking about a virtual classroom?

Mr. DASH. The Internet, they say every year is a dog year, 7 years in the regular industry. So when I said old school I was talking about traditional dial-up. I was talking about what we call the ISP model where people are getting traditional 56K Internet service to the household, not broadband, not wireless. When I said new school I was making reference to the next generation I–2, which is the cable modem, broadband wireless access where the Internet will start to be delivered in real time and the capacity for content and the capacity for new applications in the entire model on how applications are delivered and stored and how consumers participate with those applications will change.

It will revolutionize once again. So when I made that reference that is what I was talking about.

Chairman PITTS. Do you envision a classroom that is conducted virtually?

Mr. DASH. Absolutely. Next generation educational system is going to be built on distance learning. And we have already started to see that today. More and more people are getting certified online and are participating online to get distance learning. I think that it really makes a lot of sense given the inner city communities' perspective in education. Kids don't always think, are not always comfortable being smart in school or being in that classroom and being the person who is getting good grades whereas on a one-on-one environment it is different. They have a different sort of relationship and interaction with education and technology is the great enabler to be able to do that. And the next generation of Internet is certainly going to be the platform to do it.

Chairman PITTS. Since you also have ties to the record industry can you compare the entrepreneurial opportunities for young African American students in that industry as to those in the IT sector?

Mr. DASH. Well, you know it is interesting that you should mention that that it seems more and more record executives are fleeing the record industry to try to get involved in the Internet. I actually had a very prominent record industry executive who runs a big label come to me the other day and say I want to be your ambassador to the entertainment industry and I want to come and help build your entertainment division in your company. They certainly know the next generation returns as entrepreneurs is going to be in the Internet and the opportunities are greater. And I do see that because African Americans are growing at such a rapid rate there will be a lot of saturation from a proliferation of just general Web sites that are not funded well enough to survive.

Funding is an important piece of surviving as an entrepreneur. You can't just have the good idea nowadays, you have to have the financing to be able to survive it. And the record industry executives have traditionally been successful because they have been able to self-finance their businesses or their albums to the point where if it is a quality product it is successful. It is not quite that easy in the Internet business.

Chairman PITTS. The red light is on. I wanted to ask you about the strategic partnership that you mentioned but I will wait.

Ms. MILLENDER-MCDONALD. That tells me, Mr. Chairman, you want me to be careful too about the light. Listen, Mr. Dash, you have a cousin who is in hip-hop?

Mr. DASH. Damon.

Ms. MILLENDER-MCDONALD. How do you think perhaps that tool can be used to enhance the interest of high technology among those in urban areas?

Mr. DASH. We are using it now. The rappers and the entertainers, the ballplayers, they are the ones really today who are driving urban culture and they are driving urban businesses. So we are starting to use that now in putting those faces like BET has done as well in putting those faces in front of the medium. Technology's perception in the community has to change, and the ones to do it are the, quote-unquote, market makers. Those market makers are the JayZ's and the Puff Daddies of the world.

Ms. MILLENDER-MCDONALD. You have lost me completely with this, young man, but it is an age culture that we are talking about. But if you are in front of them are you actually talking in this rap, they are saying get on the Internet whatever, whatever?

Mr. DASH. There is a rapper named Nas actually who is a very popular rapper I guess. He sold 2½ million on his last release. In one of his songs he starts to make reference to people getting involved in the Internet and more and more rappers are using the dot com in their rap. He even made reference to being a public company or taking companies public. I think that is really going to be the next generation. Entrepreneurs are going to have more and more public companies because they have seen how quickly things can change when you have a public vehicle behind you. I think our company has been a good exam of that.

Ms. MILLENDER-MCDONALD. I had last year in my CBC annual legislative conference weekends, I was talking about going public. So I need to connect with Noz, is it?

Mr. DASH. Noz.

Ms. MILLENDER-MCDONALD. I have to connect with that. All right. You know, our kids, inner city kids and even rural kids, really the two of them are very much behind in terms of getting connected. And you are right they have few computers in schools. I mean it is about 18 to 1, in some of my schools in the districts of Watts. But they connect every so often when they get on this computer, but it really doesn't give them that feel and this energy and motivation, but then it is not in the libraries, it is not in the homes. That is where the divide comes in, Mr. Miller, that we are talking about, this inability for these children and students to really get excited about this.

What can you tell me, outside of the rap groups, and that is very important too for young folks these days, what else can we do to start this avalanche of interest on the part of the Internet with our kids and then speak to the new schools, distance learning is absolutely critical, especially with adult students going back to school, and if they are, piped in or tuned into the Internet they could do this distance learning far more effectively as well as wireless and the broadband.

So just your summation of that, tell us how we can get them more energized, motivated and get going on the Internet.

Mr. DASH. Interestingly enough, I think that there is already intent. The intent in the communities are there. People want technology. It is not that they don't want it. It is it hasn't been accessible, it hasn't been marketed and it hasn't been made to feel sexy. It hasn't been made to be something that they can touch, feel and understand.

In fact, to go back to your reference, Mr. Chairman, our venture with America Online is built to do just that, to bring tangibility to the Internet and to bring access with a bundles PC to the price point so that people can understand it, touch it and feel it. I think that as much as the young generation—because the kids gets it. They get it more than I get it sometimes and the younger kids, they are already there. Generation Y and generation X, we are the ones who are pushing this thing. It is really about the baby boomer, our parents' generations that are intimidated by technology.

Ms. MILLENDER-MCDONALD. Indeed they are.

Mr. DASH. It comes from being not being able to grow up with it. And so I think that the barrier to entry is really there. What we have tried to do is to go out into the faith based community and really reach out there and let the parents feel the power of technology and let the parents really be able to embrace the technology in a one-on-one environment. Because the kids get it. And even kids who are what we call lost in our communities, you know, the gang members, they really don't want to be doing that. They are looking for the new hustle. For them technology has to become the new hustle. Drugs and guns and things of that nature, that has kind of played out, as they say, in our communities because they are tired—kids don't want to go in jail.

Ms. MILLENDER-MCDONALD. I will be speaking this Friday on the new image of Watts, because it was once perceived that it was gang and drug ridden but not that way anymore. And people are anxious to move out of that mode into a different mode but they need to

have the tools by which to do this. And I tell you, you had just an outstanding presentation.

Thank you, Mr. Chairman.

Chairman PITTS. Just one more question, Mr. Dash. What is the strategic partnership that you referred to?

Mr. DASH. The partnership is with American Online and CompuServe. What we have done is developed an urban brand of ISP called Places of Color. The goal of the new service which is built on top of the American Online infrastructure is to be able to create core tendencies, which are training, distance learning, certification, job placement and to surround that nucleus with the relevant content that African Americans, Hispanic, Native Americans, rural whites, the urban culture that transcends color can sort of embrace the youth and bring the relevance at a price point that they will feel comfortable with.

Chairman PITTS. Mr. Miller, you mentioned that Web based internship program that you have started. What has been the level of response to this? How many students have been placed in the internship?

Mr. MILLER. We haven't placed any because we literally just rolled it out two weeks ago. We have commitments from companies to hire over 60 interns. We expect that number is going to grow. We are getting calls from potential applicants from potential employers and from colleges and universities all over the country. So we expect to have this fully ready to roll out in about three to four weeks, and we expect to start placing interns this summer and into the fall. And again, these are all going to be opportunities for students to work in high tech companies, real jobs, not make work jobs, which we hope will encourage them to then become IT professionals and enter the IT work force.

Chairman PITTS. All right. And what role do you see Congress playing with this whole thing, like programs for digital opportunity initiative to continue to provide students with opportunities in the IT sector?

Mr. MILLER. I think the key is some of the legislation that has been considered to provide IT tax credit training for companies to provide training for workers is one thing that this committee could look at. Because many times companies, particularly smaller or medium size companies when they are looking whether they are going to spend their next dollar on IT training or not, particularly when you are talking about people who may not be ready to join the work force in three for four weeks but you are talking about a year or two or three they are reluctant. So, for example, there have been bills introduced in the House and Senate to provide IT tax credit training.

I also commend to you the bill that Congresswoman Millender-McDonald referred to before, the H–1B bill because as part of that bill employers will pay a fee of $1,000 per employee which will generate about $180 million in new nontaxpayer-funded training dollars which would go into regional skills training alliances. Again, much of that money can be focused on training minority students and others who have not traditionally been part of the work force. I think on the Senate version of the bill Senator Biden added an amendment which would direct some of the money into boys and

girls clubs in inner cities, particularly for training, reaching out to minority youth.

Ms. MILLENDER-MCDONALD. That is our amendment for us there.

Mr. MILLER. So I think the high tech community sees this H–1B bill, the House and Senate version. There are differences but it is a win-win. Because we need temporarily the short term workers that this is going to provide the real training dollars. The key that I urge the subcommittee and the frustration we have had is that the money that has been going into the H–1B program for years frankly we think the Department of Labor has been very slow getting that money out there. It has been very unfortunate because we in the employer community naively hope by now we can come back to Congress and say look at all these minority workers that have been trained. Unfortunately, the Department of Labor has only given out about $12 million worth of grants in little dribs and drabs instead of pumping that money out there quickly because there are plenty of training opportunities out there and these students and the small and medium size employers frequently need tax breaks or subsidies to do that training.

Chairman PITTS. All right. Ms. Steen, what kind of follow up does CPDC provide its students once they graduate from technology programs?

Ms. STEEN. We follow them for a period of time as long as we are able to. Following them long term is not always possible because people move and change jobs. But there is successful long term employment and to the extent that they are residents of Edgewood Terrace we definitely follow them. We provide them ongoing support. We have a club, an alumni club that people can work with. Our job training now has expanded. We have worked through many of the people that needed job opportunities at Edgewood Terrace and now 80 percent of our students who are from the surrounding community, it is a little more difficult to keep track of those folks on an ongoing basis.

Chairman PITTS. Could you give us a little bit more detail on the educational partnership between CDC and Catholic and George Washington Universities?

Ms. STEEN. Catholic we have been partners with for a number of years. They are a nearby neighbor. We have reached out to them and worked with them in a number of their departments. The Metropolitan College, which is the college that provides something akin to continuing education, has been very aggressive with working with us. They have provided scholarships for anyone that graduates from our employment training classes. And they also teach at Edgewood Terrace in a program we call At Home on Campus in an effort to break down some of the barriers for people to go to college. We have introduced college level courses at Edgewood Terrace that people will take the first class in that course and then go on and take the rest of classes at Catholic University. Georgetown—George Washington I think you asked about, I will tell you about both. George Washington has a department that has expertise in assessment that we found to be an extremely valuable tool in helping students identify the correct career path, to help students find out what their strengths are, how we should hone our curriculum to make it relevant so that we can improve skills and get them

placed in jobs that are meaningful to them, get their interest and that they can succeed at.

Georgetown University is our newest partner and they will be studying Edgewood Terrace to document what has happened there. I am not sure I am going to get the name right, Culture Communication and Technology I think is the name of the department. And they are interested to know what the impact of technology is on this community. And they will be assisting us with various parts of our Web site development as well.

Chairman PITTS. Thank you very much. I see my time is up. Ms. Millender-McDonald.

Ms. MILLENDER-MCDONALD. Thank you, Mr. Chairman. Ms. Steen, let's see where do I get started here with all of these lines I have crossed over here. Let me first commend you and all of the young women who have come with you today who have excelled in your program and are now in jobs that are really not only creating their self-esteem but also paying them a livable wage. So I commend all three of you young ladies who are out there in the audience today and keep pushing on.

You talked about the thin clients. I think it is thin clients I saw here that I wanted you to expound a little bit more. "using a newer technology known as thin clients." explain that to me.

Ms. STEEN. When we embarked on creating an electronic village, one of the issues that we grappled with was how were we going to be able to sustain this technology in 800 apartments. Desktop computers take a lot of care and feeding. And you can't be knocking on someone's door to go and correct something on the desktop. Children have access, unsupervised access to a computer and they can very quickly do some things to it that nobody knows what happened. And so we were if we were going to be successful in having this technology continue and not just have a bunch of abandoned equipment in apartments, we needed to find a technology that we could manage remotely. And the thin client is the term that the industry uses for what I call back to the future. It is like an old dumb terminal. It looks like an individual pizza box. There are more varieties of it coming out right now. There are all kinds of things that are coming out every day with different levels of use built. The particular one that we have allows us to—it has an embedded NT chip in it. And it—basically you log on, it is a little box you log on at your desktop, you have a monitor keyboard in this little pizza box. You log on and it sends signals to a server farm like the old mainframes but a server farm in a server room at Edgewood and then all of the software is loaded on that server farm in this remote location and it is administered, all the care and feeding of it happens in the server room. If we need to upgrade software, if we need to add a log on account, if we need to do any kind of administration for this system, we can do it remotely. So it is only when we have a hardware, a real hardware problem that we need to deal with anyone in their apartments. And by minimizing what that hardware can do in the apartments, we minimize how much we have to go back and forth.

We had to look at the cost of operating the system. We are getting donations. We have Federal funding for various parts of this. The reality is we won't survive more than a year unless we create

a sustainable environment. And all of that investment will disappear because there will be no one there to take care of it. And so this is aimed at being an interim step to bring technology into the home, to give people access and a way that they can use it for the first time, understand it, deal with it.

Ms. MILLENDER-MCDONALD. But it is not going to be sustainable.

Ms. STEEN. That is what the thin client is meant to be.

Mr. MILLER. That is the point. The thick client is not sustainable because it costs so much money to maintain.

Ms. STEEN. The total cost of ownership in a thick client in a corporation, there are numbers anywhere from——

Ms. MILLENDER-MCDONALD. The thin client will be sustainable.

Ms. STEEN. It is much, much more sustainable. Then the hope is that residents once they start using this technology will go on and buy their own computer. They will want to have more software than we will put on the network. They will want to customize things. They will have learned enough that they will want more.

Ms. MILLENDER-MCDONALD. So if they want to expand to broadband or distance learning.

Ms. STEEN. Broadband is the pipeline coming in. At Edgewood Terrace we have a T–1 line coming in and any of the committee's other sources could be the broadband. The thin client is just—it is the hardware.

Ms. MILLENDER-MCDONALD. Okay, fine. Mr. Miller, you wanted to add to that.

Mr. MILLER. Just to point it out there is also a tremendous potential savings for schools. Even wealthy suburban schools end up with plenty of expensive PCs sitting in boxes because they don't have the budget to buy—they have the budget to buy the PC but not to maintain it. Thin client, where most of the brains are based in one place then, it is more like your telephone or the brains are somewhere else and your telephone is just sitting there. You are depending on someone else to fix the software. It is the same idea. You have access to the information but you don't maintain your own system. If you have a thick pipe you can watch television, you can do records, you could do anything you want. It is just you don't have to worry about that PC.

Ms. MILLENDER-MCDONALD. So why haven't we introduced this to the educational world?

Mr. MILLER. Some companies are trying real hard.

Mr. DASH. That is the next generation.

Ms. MITCHELL. It is——

Ms. STEEN. It is new.

Ms. MILLENDER-MCDONALD. This is why I had to get some more explanation because it was a new concept that I had not heard of either.

Mr. MILLER. We would be glad to arrange a demonstration for you.

Chairman PITTS. Continue. Please respond.

Mr. DASH. There is a little bit of precaution that needs to be taken when you talk about the thin client machine. I have a 7-year-old—I actually have 3 children but the 7-year-old uses the PC every day when he comes home from school and uses the CD–ROM quite a bit to learn from and also likes to sit down and mess

around with the word processor and store his information to the PC in our house. When you are in a thin client environment and you are in what we call an ASP, which is the application service provider, instead of the ISP, which is kind of the evolution of the ASP, when you are in an ASP environment they are giving you the information, you give it back to them and they are storing it for you in what they call a digital closet. Well, unfortunately if they didn't pay my 19-dollar bill that month my son couldn't get his information out of the closet because the closet would be locked because the bill wasn't paid.

But those are some of the potential downsides of what needs to be looked at. I think local storage is an important issue in the household. But certainly in the school and as a next generation second, third, fourth machine in the household network computers and home based networks are definitely great ideas but I do think that local storage and local processing power is an important issue.

Ms. STEEN. Local storage is possible depending on the equipment that you purchased. Our equipment you can attach a hard drive. We have local storage at Edgewood Terrace. It is an issue. Also an issue is the operating system. We are using NT. And NT is not terribly compatible. It is built for an office environment. It is not terribly compatible with children's software. And so we won't be able to put on this network what we have in our computer learning center that are serving youth until a future generation of Windows comes out.

Chairman PITTS. Ms. Bushkin, did you want to add.

Ms. BUSHKIN. I think what you are going to see next is a leapfrogging to devices that are freed from and untethered from the PC. It will range from the television which will change dramatically the notion of using the Internet when it is in your home to the Palm Pilot or other handheld devices to having the ability to use the Internet or get messages or find information on your cell phone. I think we are going to see all of that change the way it will be important to make sure that no one is left behind again as the technology becomes so critical to the functioning of the economy, and it will be easier to vote and do everything else. The imperative for making sure that we bring everybody along will become even stronger.

Mr. DASH. Can I make one more point. We are none of us rocket scientists. So.

Ms. MILLENDER-MCDONALD. Really.

Mr. DASH. So while the technology is so impressive it is not complex. And I think that it is important that we start to teach the younger generations the underlying technology that is actually there and how this all works so that they can figure out for themselves how to take advantage not just being a work force for but actually take advantage of and participate from an ownership perspective in the next generation of technology.

Ms. MILLENDER-MCDONALD. I would like to propose to the chairman and this committee that we perhaps convene a type of demonstration for perhaps some of the superintendents, whoever, around the country, however you see fit to do this, to bring forth this new technology and this new concept. Because after all we do want to continue to be on the cutting edge.

Chairman PITTS. That sounds like an excellent idea. We will talk to our staff about doing that. Let's continue now with questioning, Ms. Tubbs Jones.

Ms. JONES. First of all, I want to apologize to the panel for not having the opportunity to hear your testimony. I was a speaker at a Community Development Corporation conference that kind of ran behind schedule. So I had to get back here. But I am interested in the issues that you have raised and impressed with what I have heard in the last 5 to 7 minutes.

I just want to raise with you that I am currently sponsoring—I know my staff person mentioned to me that you have been talking about distance education before I came in. And I am actually sponsoring a piece of legislation called Greater Access to Distance Education. And the bill will establish orientation programs as part of funded distance education demonstration projects. And the reason I am sponsoring this piece of legislation is that many adults fail to complete a distance education course due to a lack of proper orientation in the package. They will get it, they will sit there and they will go oh, well, can't complete this and go onto something else. In light of the fact that currently orientation programs are not required, I am proposing that that be a requirement if someone chooses to go through a distance education program.

And I put that out there just to say I am not a rocket scientist either. I am not even close to knowing some of these things. My 17-year-old is a lot better at it than I am. But I know that in order to bridge this digital divide we do have to provide opportunities for people to—even once they access it to figure out how they maneuver through the process.

The other thing, the question I would ask and I am going to ask Mr. Dash only because I want to hear him talk and I don't have anything written from him and I missed—to the reporter, is it possible I could get Mr. Dash's testimony typed up for me, please? Thank you.

My question is, what do you propose in areas for—for example, I come from Ohio and a friend of mine just started—just ran for the Senate in Ohio. And he was in southern Ohio in an area where they don't even have lines, their telephone lines are not such that they can even, even if they bought a computer hook themselves up to a line to access information. What do you see as happening in the future to be able if the telephone lines don't get hooked up, what do we do for those folks?

Mr. DASH. We were speaking about the next generation that is going on now, we were talking about things like AOL TV or the next generation broadband. Cable will become what they call a thick pipe for the Internet and for access and broadband environment through cable modems and wireless technology. There is a Palm Pilot that is sitting here now that is untethered.

Ms. JONES. I still have a 5. I haven't gotten to 7.

Mr. DASH. So everything will become actually untethered. So they have a great opportunity of talking about the digital opportunity, they have a great opportunity to propel themselves ahead of the curve.

Ms. JONES. How would you suggest that we get that message to the folks that you know that aren't even at this level that don't—

forget the infrastructure for the old method and get ready for the new one.

Mr. DASH. I certainly don't say forget the old infrastructure but in a situation like that, getting the message out was what we were talking about before was about creating relevance. I think that is the challenge from the business community. Therein lies the opportunity. Whoever gets there first with the best messages wins. Whoever gets there first with the most marketing dollars, chances are is going to win because nobody else is there now. So it is a great opportunity in doing that. So it is about creating relevance and putting faces on it that people can relate to and putting it in a common sense perspective. Because I think technology, there has been a veil that has been placed on technology. And it is time for it to be lifted and for somebody to come out with a common sense approach on how to use it and access it.

Mr. MILLER. It seems to me that one of the great groups of communicators in the United States are our legislators, you and your 434 colleagues here and the 100 members across the way.

Ms. JONES. We are trying.

Mr. MILLER. You have the respect of your community. You are well known in your community. I assure you if you said you were going to go to your community, you wanted to do a series of town meetings and you wanted IT companies and people like Mr. Dash and Mr. Mills and others to come along and talk about the products and services they could offer they would be there in a heart beat because it would be a time for them to talk about the good things they can do without wearing their pure marketing hat. Not that these companies don't like to market too, but that is the opportunity. That is why I keep using the phrase, Congresswoman Millender-McDonald, because it is an opportunity.

I just did a major event with our companies in Japan with the Internet wireless access in Asia. Now we are talking about China, 1.2 billion people, India 1 billion people. They are talking about wireless. They are not talking about phone lines. It is too late for the plain old copper or fiber. So these companies are excited about talking to these communities that you are referring to. But they could use your help in getting the message out. This is real stuff. It isn't science fiction. This isn't particularly expensive. We need to lift the veil, as Mr. Dash was suggesting.

Ms. BUSHKIN. I also think the faster you can drive government services online and things that are compelling so that people feel that they are missing something if they are not online. So it is as valuable to them to have an Internet connection, whether it is on a PC or any other way as it is to have cable service or anything else in their home, that we need to make that a critical part of everyday life so that people feel it is critical to their success and their children's future success.

I also want to come back to I think the long term goal for everyone is that there should be Internet access in every home. I mean that would be the vision that we would all share. I think the first step has got to be in every community and we make sure there is access for every child. If the homework assignment is given that requires use of the Internet not every child can go home and find a computer or do the homework but there certainly needs to be one

at the community center, at the library, at the boys and girls club or the school needs to be kept open late so kids can use it. Once kids are learning how to use the technology they will drag the parents in. This is the experience we are seeing in all the PowerUp centers, the kids get turned on. It lowers the fear factor of the parents and they are coming along and learning it as well. So we are getting the intergenerational benefits. But I think we need to see this as a two-phase process. We have to go for community access first with the goal as all the technologies change of putting this in every single home.

Ms. JONES. I want to give Mr. Mills an opportunity to respond.

Mr. MILLS. I would like to add when we launched BET.com one of our marketing efforts in addition to all the online and off-line marketing was actually to go out and interface with people directly, do all the people expos, do all the events and really reach out grass roots. What we found was there was a tremendous response among the African American population. If you go to a people's expo you really meet the people. You have parents and you would have children and they would interact with the large displays that we had and all the computers that we had up and the parents would respond we really want this, we really like the product, but we are a little mystified about how we go from zero to having this product in our house. We are not sure exactly which ISP we should use. We don't necessarily have a good friend to call who can recommend this. Help me understand how I should approach this process.

That is part of what drove BET.com to decide that what we should do is build a bundled PC–ISP, BET brand of package and sell it directly to our consumers. Because what we have discovered is that our brand, given the strength of it and particularly the residence of our brand with an urban audience, gives us the ability to communicate to this audience that we built a package just for you. We understand you, you understand us. We have been here for 20 years. We built something specifically for you. We will get into your home and help you get online. Not just for us but help you access all the things you find valuable in the Internet space.

Ms. JONES. Thank you very much. Now Mr. Dash, one last request. You have to give me an autograph to take to my 17-year-old. He knows about you. All right.

Thanks.

Ms. MILLENDER-MCDONALD. I have missed something here. Show you how far behind I am.

Chairman PITTS. We are going to do one more round. All the witnesses have to leave by 4:00, I understand, so we will do one more round.

Mr. Mills, in your testimony you mentioned a dearth of information technology advertisements aimed at minority groups. What has BET.com taken, what steps have you taken to publicize your services and what does your Web site provide that has been missing from the Internet before its launch?

Mr. MILLS. When I say dearth it is not just with respect to the African American Web sites that are online, but if you look back 6 months ago very few Internet companies, whether African American or general marketed Internet companies, were specifically buying African American media to communicate the value proposition

of their online services to our community. At the end of the day advertising is about generating awareness, generating trial. If you don't market to our community in a way that is relevant to our community you won't achieve the awareness and trial required to get overall adoption of these services.

When we announced the creation of BET.com we noticed virtually no targeted marketing of online service to African Americans. Six months went by. You now have all of the national radio shows, whether it is the Tom Joyner show or the Donny Simpson show, all of those shows now have dot com sponsors. You have now—even on our cable network we have a proliferation of dot com advertisers actively buying our media to provide culturally relevant messages to our audience about the value proposition of the Internet.

So it is not so much that it is a moral responsibility of these companies to communicate the value proposition to our audience but instead that they now have kind of an enlightened self-interest which is positive, and enlightened self-interest recognizing African Americans are projected to be such an incredibly fast growing population that there really is an opportunity to serve that community online.

What we have done is say let's put the most marketing money that has ever been applied against an African American product for the African American audience. We spend between $8½ to $10 million to market BET.com. We do that using our own cable networks. We use other people's cable networks. We buy general market media. We bought radio all over the country, we bought prints and we bought the full universe of African American print. We own five magazines ourselves but in addition we bought everybody else's. We bought Ebony, Essence, Jet, XXL, Vibe, Source, Spin, Blaze, so we are basically—our mantra is that we are the African American Visa. We are everywhere African Americans want to be. We think that is important but we have gone one step further and said it is not just about communicating a very self-serving message about the value proposition of BET.com. We really have a broader perspective, which is about communicating the value and the importance of the Internet to the African American community.

So our Chairman Bob Johnson has actually reached out to a number of celebrities in the African American space and said I am willing to dedicate time on my cable network to generate a message to communicate the importance of this medium to the African American community. And we think by doing that, by having individuals who have stature in our community and who are considered school or sexy in our community say that that is an important place for everyone to be, the Internet overall, that will really substantially affect the amount of traffic and utilization.

Mr. MILLER. Just another piece of jargon is called a vertical portal. The whole idea of people coming to the Internet and of course 22 million subscribers go to AOL. That is the biggest by far. But this whole question of whether people want to go to a generic Web site where there is lots of information or whether they want to go to something that is more specific to them, however they identify themselves if they identify themselves as New Yorkers, if they identified themselves as African Americans, if they identified them-

selves as Southerners, so what you have seen created are these vertical portals where they are specialized in one particular segment of society and they hope that they attract people who just identify with that group. They might identify themselves as bridge players. So as that happens then the whole marketing model changes too. Because you can't just market to generic magazines if you are going to say my target market is only Hispanic Americans, or primarily Hispanic Americans or primarily black Americans.

I think what Mr. Mills is reflecting in particular in the African American community is in fact happening with a lot more communities because you are develop a lot more of these vertical portals and they have to reach out through these other mass market publications, cable, television, others to advertise to get people to come to their vertical portals.

Chairman PITTS. Ms. Bushkin, we have heard the lack of Internet content geared towards minority users. What level of minority participation do you have within AOL's communities?

Ms. BUSHKIN. We don't keep track of that information about our subscribers or our members. But I can tell you that we have some African American communities that are very active on AOL. We have an organization called Black Voices. We are very excited with the new partnership with DME, Places of Color, which we think will not just reach out to the communities of African Americans online but help bring new members online as well.

I think what everybody has said already about this as this being the fastest growing market is absolutely true, and that we need to be creative about the way we reach out to finding those people and giving people of different backgrounds, different interests and different educational abilities new reasons to come online. I think that is going to be the focus going forward as everyone reaches out to provide more compelling reasons to use the Internet medium.

The first, if you look at the way the Internet adoption rates have progressed over the past 10 years and it has been truly phenomenal, as Harris pointed out, it started with the hobbyists and the people for whom this was a tool and then we moved into people who were excited about using this perhaps for a business or a job and we are just now beginning to touch and tap the mainstream. But we have only begun. Only about 35 percent of the country now is online. But when we study the people who have been online for say 3 years versus 1 year what we are seeing is phenomenal integration into their lives in that they move very quickly from using it one hour a month to one hour a week to one hour a day. It becomes critical to the way that they do everything from shopping to school to communication.

The biggest gap in the digital divide right now is interestingly single mothers. I can't think of a group that needs the Internet more in terms of being able to shop 24 hours a day at home. We think it will offer tremendous benefits to people who are disabled. So we think we are just at the point where we are beginning to reach that group. And an organization like AOL is as committed to reaching out to them as we are bringing that first wave of mainstream consumers online.

Chairman PITTS. Finally, we have had a suggestion for a demonstration here. I saw, Mr. Miller, you pull out a Palm Pilot. Did that have an antenna on it? Can you access the Internet with that?

Mr. MILLER. I can send e-mail messages from this. I can download news clips from this. I can download stock quotes from this. I can tell you where Starbucks is. I can order from Amazon.com online from this little itty-bitty thing. That is all available. I can find the names of my local elected officials using this.

Ms. MILLENDER-MCDONALD. Uh-oh.

Mr. MILLER. I can trade stocks using this online without going anywhere near my PC. I keep my schedule and phone numbers. All these other things I can do online.

Chairman PITTS. We will pursue having a demonstration for the members.

Ms. Millender-McDonald.

Ms. MILLENDER-MCDONALD. Thank you, Mr. Chairman. Let me first go back to Mr. Mills and, Mr. Mills, I am so happy that BET has been a pioneer in reaching out to the African American community in bringing these types of programs and this type of innovation to our community. Just want you to continue to reach out and do what you must do. However, I must say that e-commerce is one that you didn't mention. I would like to suggest to you that you do look into e-commerce. Especially Ms. Bushkin who spoke of the fact that single parents, which are number one and leading up heads of households do have this type of access to the Internet. And everyone looks to BET for doing all of those things that must be done, especially African Americans. I certainly would like to suggest that to you.

I would like your people expo. I would suggest that you do that in some of the major metropolitan areas and come to my district first. I have suggested it, so come first. It doesn't have to be in a large venue because a people's expo is just what we are talking about is getting people interested in this. So I like that concept. So do connect with me on that.

Ms. Bushkin, your presentation was very thought provoking. I applaud AOL for the work that they do. PowerUp, we had a meeting among groups of high tech folks just last week. I was privy to hearing more about PowerUp. We applaud you on your efforts. What I want to know is whether you have 250 centers in various locations. I don't think you have one in my district.

Ms. BUSHKIN. Not yet.

Ms. MILLENDER-MCDONALD. She is a very astute woman. She said not yet; she didn't say no but not yet. How do you identify these centers and what is the criteria for those centers being placed wherever they are?

Ms. BUSHKIN. We actually have four up and running but we are aiming to have 250 by the end of the year.

Ms. MILLENDER-MCDONALD. So I am still in the running. Okay. Fine.

Ms. BUSHKIN. What makes a success—where is the other one? Cleveland. There are a couple things that would make a very successful center. We have tried not to reinvent the wheel or start from scratch. So where there is a boys and girls club or YMCA or another center in the community, this could be the public housing

project where already we think that there is a nucleus of people gathering that is number one for us. And we like to partner with organizations that are already serving the community that way.

Second, another key part for us is having some local sponsors who are committed to helping the community and who will help us bring in Vista volunteers, because we don't think a center that just has computers alone is enough. It is very important to have caring adults teaching the kids how to use the Internet, guiding them to find the right information and teaching them to find the information online that will give them the skills that they need.

Third, we are working with Gateway and a number of other providers to make sure that we can bring computers into centers that don't have them as well as some telecommunications companies to do the wiring.

Fourth, we simply look for communities that have the greatest need. So we are broadly and widely looking around. We have three centers in this area and we would be happy to show you what is working with them. Steve Case just visited Blue High School with President Clinton three weeks ago where a new center is going on. We have one in Southern Ridge in Anacostia, one in Gum Springs in Alexandria. We are learning each time about what would be a successful one. But certainly Watts would be a good place for us to locate.

Ms. MILLENDER-MCDONALD. We certainly look forward to your coming there the next time.

Mr. Miller, you were so energetic in your presentation so I will tell you although I don't want to—I am not going to scold you as much as I would like you're telling us to forget this digital divide and go to digital opportunity. I do agree with you we will say in order to change from the digital divide we must look at it in digital opportunity fashion.

The IT workers, we have need education. Bottom line. I mean, you cannot have IT workers, you cannot have interns in all of this unless you educate folks and you cannot educate them if you don't have access to these computers in the schools that will engage them in the training to be skillful enough to move on into the internship program that you speak about.

Am I correct on that?

Mr. MILLER. At least students who don't have algebra through their K through 12 education, the chances of them becoming a successful computer programmer are not very good. So there are other jobs they can do as IT workers, but if they can't at least get through those basic math and science courses in their K through 12 education then the chances of their post-education leading them to become an IT worker and doing the wonderful things that these people back here behind us have done, gets to be very difficult, not impossible but much more difficult.

Ms. MILLENDER-MCDONALD. I agree with you. To finish up my questions—rather, just a comment. I talk with a lot of the HBCU presidents and indeed the Ph.D. Programs are really falling behind in those schools. And you speak of the very minuscule fewer people who are into the Ph.D. Programs in computer science. That is something that hopefully you can talk to me later about or whatever your suggestion is as to how we get folks in tune with that.

Because if they don't have the training at all from the K–12 and don't have it in an internship program mode then they are not apt to go to a Ph.D. Program in computer science.

Mr. MILLER. One of the things that is absolutely critical as to what Congress can do, funding fully or maybe even going beyond the administration's request for additional research and development money in the IT field, the Congress has committed the last few years a lot more money to medical research but there is a huge role based on the President's Information Technology Advisory Committee for more Federal funding to universities for IT research. Even that has a spillover effect. Because when you fund those university faculty then they need graduate students, which means they create fellowships so then they attract more students to then stay on. So a lot of it is a spill-down effect.

So I would commend to you what is in the President Clinton's budget to look at that for additional funding for IT research. It will create the new technologies that will make access simpler. As Ms. Bushkin said in her opening statement, we are just at the dawn of this Internet age. We are still in the earliest days of this Internet age, and this reach and development, a lot of which is being done by private industry but a lot of it can be done by academic institutions by government also.

Ms. MILLENDER-MCDONALD. Let me again commend you for this hearing. It has been most informative and you have really just outlined a great group of outstanding experts. I also want to say I regret that Politicallyblack.com could not be here so they have a statement for the record they would like to submit for the record.

Chairman PITTS. Ms. Tubbs Jones.

Ms. JONES. In light of the time I am going to forego any further questioning. I do have a statement that I would like to submit for the record personally. I want to thank each and every one of you for coming to our Empowerment Subcommittee and commend to you as part of the President's proposed budget the new market initiatives that you would consider the new markets that he is trying to go into and perhaps we can take this as a digital opportunity, Mr. Miller, and use the new market initiatives. Because it would be a great opportunity to go into underserved communities with dollars to be able to go in there in terms of equity. It would be just an exciting thing for many of you to take up that opportunity and go into some of these neighborhoods. Again I would like to commend you for your presentations. Apologize for not being here at the beginning.

Chairman PITTS. Thank you. Without objection, we will end your comments. We will leave the record open for 5 legislative days for anyone who would like to add statements or any responses from our witnesses. I would like to say this has been an excellence panel today. We received some wonderful information, excellent recommendations, and the subcommittee will act accordingly.

The time of 4:00 having arrived, the hearing is adjourned. Thank you.

[Whereupon, at 4:02 p.m., the subcommittee was adjourned.]

House Committee on Small Business
Subcommittee on Empowerment

"Bridging The Technological Gap: Initiatives To Combat The Digital Divide"

March 28, 2000

Opening Statement of Chairman Joseph R. Pitts

Ladies and gentlemen, thank you for joining me and the distinguished ranking member, Ms. Millender-McDonald, today to discuss private sector initiatives that are in place to help bridge the "digital divide" -- the disparity between use of the Internet among the rich and the poor. This is the second hearing that this Subcommittee is holding on this topic. The first hearing, held last July, discussed the findings of the National Telecommunications and Information Administration's report, Falling Through the Net, which defined the term the digital divide.

Since the release of this report, there have been many initiatives from the private sector and government that have been proposed and implemented to help combat the digital divide. Indeed, the White House has proposed $2 billion in tax incentives and $380 million in new spending in the fiscal year 2001 budget to expand use of computers and training for teachers in computer-related skills. I believe that before this Congress considers any new government spending or programs, it is imperative that we examine the methods that are already in place to expand the technological reach of this nation's poorest citizens. To that end, this Subcommittee has convened this distinguished panel of witnesses to receive their wisdom and to hear their experiences on achieving technological awareness and access for all.

Since the vanquishing of the dreaded "Y2K" bug, the digital divide has become the new perilous buzzword in the information technology sector. In fact, the term digital divide encompasses more than a technology gap between Americans at the highest and lowest income levels. The NTIA study revealed that those living in urban areas were more likely to be online than Americans living in rural areas, and that white households were more than twice as likely to have Internet access as black or Hispanic households.

The digital divide is not just an American phenomenon. Italy recently announced a plan that would offer ninth-grade students computers at a 40 percent discount to encourage them to use the Internet. Additionally, Venezuela is considering the introduction of prepaid cards to allow inexpensive Internet access at special community centers as part of a campaign to popularize the Web.

One of the overlooked issues in the national debate of the digital divide is the state of disrepair of the schools that are being targeted for new computers and upgraded technology. Many students that suffer from a lack of access to technology also suffer from being exposed to underachieving schools, poorly trained teachers, and neglect from school board bureaucracies that become virtual economic black holes. Unless teachers are properly trained and schools are held accountable

for using their new-found technology in ways that advance the academic progress of their students, the introduction of new technology into these classrooms will not help solve most of these students' underlying academic deficiencies. Indeed, a recently released report by the Children's Partnership pointed out that the Internet is virtually useless for the estimated 44 million Americans who read below the average literacy level.

The good news, though, is that there are many private sector initiatives that are poised to close the digital divide. Companies such as Microsoft, 3Com, and Sun Microsystems are donating software, hardware, and Internet access to students in underserved neighborhoods. Today's panel represents a broad cross-section of the types of programs that I believe will help narrow the digital divide. Dale Mitchell, Executive Director of the Delaware Valley Grantmakers, from my home state of Pennsylvania, will testify about her organization's efforts to partner nonprofit organizations and philanthropic institutions; Leslie Steen, President of the Community Preservation and Development Corporation, will speak about her organization's community technology center and its efforts to completely wire its 800-unit housing development. Darien Dash, CEO of DME Interactive Holdings, Inc., the first-ever publicly traded, black-owned Internet company, will discuss his tenure as technology chair for School District 5 in Harlem, NY; Harris Miller, President of the Information Technology Association of America, will testify about the ITAA's Digital Opportunity Initiative which provides internship programs in the information technology field for minority students; and Katherine Bushkin, Senior Vice President and Chief Communications Officer at America Online, will testify about her company's efforts to bridge the digital divide through the works of the AOL Foundation.

I look forward to the enlightening testimony of our panel and I thank you all for your willingness to testify before this Subcommittee.

SUBCOMMITTEE ON EMPOWERMENT OF THE HOUSE COMMITTEE ON SMALL BUSINESS HEARING – TUESDAY, MARCH 28, 2000

STRATEGIES TO BRIDGE THE DIGITAL DIVIDE

TESTIMONY PRESENTED BY DALE MITCHELL, EXECUTIVE DIRECTOR, DELAWARE VALLEY GRANTMAKERS

Delaware Valley Grantmakers (DVG), one of 29 regional associations of grantmakers, is a membership organization comprised of private and community foundations, charitable trusts, grantmaking public charities, corporate giving programs and individual philanthropists in southeastern Pennsylvania, southern New Jersey and Delaware. Its mission is to promote effective and responsible philanthropy, corporate social investment, and community involvement by acting as a clearinghouse of information; strengthening cooperation among funders and grantees; informing and educating grantmakers, recipients of grants, public policy makers and the broader community about social responsibility and philanthropy; developing and encouraging community leadership; and working to foster the culture of giving and to increase philanthropic resources. The organization takes an active role in addressing a range of issues, including community needs, effective decision making, and public policies that concern philanthropy.

DVG leads one of 18 coalitions from around the country who received funds from *New Ventures in Philanthropy* to launch and support strategies to increase giving in their regions. DVG's initiative is reaching out to the region's entrepreneurs and rapidly emerging growth businesses, particularly the information technology and e-commerce industries to inspire and engage them in giving back to their communities through both long-term financial support and volunteer assistance. Rather than encouraging this constituency to embrace philanthropy in general, the coalition is working to engage them in solving a real problem and utilize the talents that have made them successful in their businesses. Through focus groups conducted with these industry leaders it was determined that many feel that they have a moral obligation to ensure that all individuals and communities have access to technology and that they are provided with the tools and knowledge to enable them to compete and share in the new economy.. These industry leaders also believe that developing and implementing strategies to bridge the digital divide are in their own best self-interests, and see social investment as a way to apply their entrepreneurial skills in a different arena.

The Eastern Technology Council's database indicates that there are more than 15,000 technology firms in the region, and that e-commerce alone was responsible for the creation of more than $14 billion of market capital in 1999. Obviously the region has the potential to bridge the digital divide through both the intellectual and financial capital of these industries.

Based on the theory, held by many, that the most effective solutions to social ills must come from those closest to the problems, DVG is developing and implementing strategies to foster cooperation and partnerships between the region's nonprofit organizations, philanthropic institutions, corporations, the public sector at the federal, state and local levels, and these rapidly emerging IT businesses to bridge the digital divide. We will encourage effective and creative new strategies, leverage resources, and work to strengthen and replicate the many initiatives that are already underway in the region. These initiatives include, but are not limited to:

. The Free Library of Philadelphia Bits & Bytes Project, funded by the William Penn Foundation, which conducts computer clubs where children and teens learn how a computer works, basic computing vocabulary, keyboard skills, research on the World Wide Web, etc. The project also helps children, teens, parents, teachers and childcare providers learn to use new technologies to access information and enhance learning.

. A project with the School District of Lancaster, PA funded by the recently created Lancaster Osteopathic Health Foundation and another local foundation, which will provide school principals and administrators with access to technology to keep them on the cutting edge of child health and wellness developments.

. The Pennsylvania Department of Community and Economic Development is seeking to match the state's $3 million investment to continue the initiative to have internet capacity in licensed childcare centers throughout the Commonwealth .

. Based on surveys of youth in selected neighborhoods of Philadelphia, which indicated activities of greatest interest were computer clubs, a collaboration of community groups, foundations, corporations, the city's Department of Recreation, the School District and others are establishing Technology Resource and Research Centers to provide resident youth, ages 6-16 with access to technology by collectively increasing the capacity of existing after-school projects that are currently exposing program participants to technology.

. CIGNA Corporation funded the computer learning centers at elementary and high schools in Philadelphia and the Hartford, Connecticut project "Technology Training for Integrating Math and Enhancing Science," designed to expand and increase the use of computers in the areas of math and science.

. The IBM Corporation's "We've Narrowed the Digital Divide – You Can Too," showcasing the success of the IBM/United Way "Teaming for Technology and KidSmart" initiative, which provides early literacy tools to children 3 to 6 years of age. The hope is to replicate this model to enhance the capacity of nonprofits to utilize technology more effectively to meet community needs and to provide technology access and training to economically disadvantaged citizens.

. IBM's Global Reinventing Education Initiative working with School Districts, States and Ministries of Education to provide technology solutions and tools to children and teachers. In Philadelphia the Reinventing Education model program for teachers focuses on effective use of technology integrated into the curriculum and voice recognition technology for special needs students and those who have English as a second language.

. Through funding provided by the Howard Heinz Endowment, the Pennsylvania Humanities Council will offer programs on "Technology and Community" at ten sites in southwestern Pennsylvania. Programs will include both face-to-face and "virtual" discussions on the ways that information technologies are changing society.

Congressional Testimony
Presented to
House of Representatives
Committee on Small Business
Subcommittee on Empowerment
By Leslie A. Steen
President, Community Preservation and Development Corporation
On March 28, 2000

Good afternoon. Mr. Chairman and Subcommittee members, I want to thank you for this opportunity to appear before the subcommittee to offer the views of the Community Preservation and Development Corporation on the digital divide. You are to be congratulated for having the forethought to convene this hearing and investigate the issues surrounding the growth and importance of technology and access to this powerful tool by citizens with lower economic means.

As the President of Community Preservation and Development Corporation, also known as CPDC, I head an organization that has been actively bridging the digital divide for four and a half years in seven low-income communities. CPDC works to revitalize communities by providing affordable housing and connecting people with resources and with their neighbors to enable those communities to be strong, self-reliant, and sustainable.

I don't have to tell you about the reports—like the Department of Commerce's "Falling Through the Net"—that show how the gap is widening between those who have access to the nation's resources and those who do not, and how the lack of access to technology can have devastating economic effects. I also don't need to tell this audience about the negative impact welfare has had on our citizens.

What I do want to call to your attention is how a real community is embodying the power, speed, and what is rapidly becoming a basic need, of technology. What I do want to emphasize is the need for all of us to make a conscious effort to help prevent citizens from "falling through the net"—not tomorrow, but today.

Technology is the force that is driving our economic expansion and reshaping how the world conducts business. Employment opportunities at all levels are unprecendented. Basic technology skills – word processing, spreadsheet, database – are a basic requirement for a rapidly increasing number of jobs. And, the challenge, good pay, and

creativity of technology jobs, such as web design, can harness and channel the energies of our inner city youth.

Edgewood Terrace in Northeast Washington, DC, offers a prime example of how CPDC and a community work together to implement the goal of revitalization. In 1995, CPDC received a request for jobs from the residents of Edgewood Terrace, then a development of 884 HUD-subsidized apartments that were seriously deteriorated and subject to significant criminal activity and economic depression. Among households there in 1995, at least 91% earned less than $25,000 per year (the average was $7,000), 22% lived below the poverty level, and 45% received welfare. Among individuals, 41% had not received a high school diploma or GED and 47% were unemployed. Census data show that 18% of the births in the community were to mothers below the age of 20, 75% of the births were out of wedlock, and 64% were without prenatal care. Eighty percent of the young people under age 18 were being raised in single-parent households. There were 38 violent crimes per 1,000 persons reported, compared to the average of 25 per 1,000 for the District of Columbia.

This is a picture of a community needing solutions. To find that solution, CPDC turned to technology. In 1995, it was clear that the jobs of the future would be in technology, so we set out to bring that resource to Edgewood Terrace. Also, when we graduated our first job-training class we gained, for the first time, a real appreciation of how powerful technology could be as a redevelopment tool. Our approach to revitalizing this community combined a substantial rehabilitation of the physical structures with the community-building programs centered on the use of technology. This has produced both safe and attractive housing appealing to people of all incomes and an engaged and civic-minded community.

With us today is Bridget McLaurin, a graduate of our first class. Today, after several jobs and promotions, Bridget works for National Geographic.com on the web development team, earning over $30,000, and she is a junior at Catholic University. One after another, her aunt and cousin also have graduated to successful employment from our classes. Bridget, her family, and her neighbors have recognized what technology can do for them.

Technology provides them with the opportunity to leapfrog numerous obstacles and join the economic mainstream of the 21st century. Today, our average graduate earns $23,000 upon graduation and is prepared to succeed with a career plan, hard skills, the right attitude and appearance, and an understanding of what it takes to make it. The availability of technology has motivated the residents of this community and its surrounding neighborhood to over-fill our four computer classrooms. The technology is a drawing card like none we have ever seen. The people know what it can do for them and they want it.

Beyond the skill training that CPDC provides, Edgewood Terrace is being turned into an electronic village. Our goal is to wire all of the apartments for access to a community network, community web site, and high-speed access to the internet. Using a newer technology, known as "thin clients," we have created a manageable and sustainable community network giving all apartments use of a full range of Microsoft software without the headaches of daily care and feeding of computers in apartments.

CPDC has been able to make all of this technology available through the efforts of numerous partnerships. This all started when the Department of Housing and Urban Development gave us the critical seed money and created the outstanding Neighborhood Networks program. Microsoft followed with a meaningful relationship to help us access more resources and, of course, its software for everyone. Netier donated thin clients. Data General donated servers. Data Transit gave time and expertise in integration and support. Our educational partners include Catholic University of America, which teaches part of our career enhancement programs and provides our graduates with college scholarships; Bell Atlantic, which sponsors one of the technology employment programs; George Washington University, which provides interns in career assessment and evaluation; Morino Institute, which is teaching us how to use the internet to effectively grow children's minds; and corporate leaders on our Advisory Board, such as Fannie Mae, Edelman Public Relations, and Bell Atlantic. And now, the Department of Commerce's National Telecommunication Information Administration's Technology Opportunities Program is enabling the extension of the community network to the rest of the apartments to serve the needs of the residents, who are clamoring for access to the resource.

Koenie Carter, who is also with us today, graduated from our employment program and entered college after overcoming many obstacles common to people in disadvantaged neighborhoods and working at several menial jobs. Koenie represents the win-win relationship between CPDC and its business partners. Koenie has tripled her income working for the biomedical division of Catholic University.

In concert with enabling employment, it is important to recognize that this technology is being used as a "community-building" tool. This is not just about access. Access is the tool given to people. Strong, economically vibrant communities are the result of what they do with it. Mr. Chairman, it has been a long road to "bridging the digital divide" at Edgewood Terrace. But we will continue to expand this model. Why? Because, as Jonathan Alter of *Newsweek* put it, "The computer is not a *deus ex-machina*–a god that can fix every social injustice. Access to technology won't by itself level the playing field: if you wire them, they won't necessarily prosper." You have got to facilitate the possibilities. CPDC is doing just that with the Edgewood residents' Technology Advisory Board (e-Tab).

Also with us today is Patricia Fisher, an active member of e-Tab and one of our newest graduates of the employment program. She is a single mother with a 5-year-old son. She has been on and off public assistance, and her last job before entering our employment program was at Starbucks. Pat graduated, took a term contract job with a business and policy research firm and now has three job offers. And best of all, Pat moved to Edgewood Terrace to be a part of the electronic village and join e-Tab.

To use the resource called "access," e-Tab and CPDC are in the process of building a web site to serve the needs of the community–a chat room for the teens to talk about self-esteem and relationship issues, a community bulletin board for notices of meetings, a portal to educational web sites for the children, health screening for the seniors, and whatever else the community determines are worthwhile endeavors.

To make this happen, a governance structure is evolving within the community. People come to meetings to discuss how the community network should be deployed. They have formed committees and have established rules of conduct for use of the network. They are teaching each other how to use the technology. We do not have a help desk—

the residents are their own help desk. They are creating relationships with their neighbors where none existed before.

In short, they are relying on each other, not on CPDC or the government.

Small businesses are starting to develop around the technology. Some are going on to obtain higher level technical skills. We hope to start a small technology business using the skills obtained through the training, use, and management of this infrastructure. Technology is the tool that can address many of the social issues facing our disadvantaged communities.

One can read every day about technology companies looking abroad for people with the skills to meet their labor demands. Well, right here in your own backyard, 150 persons are graduating with the skills to build those new careers. But, they have to—and they do—conduct job searches for weeks before securing opportunities. I urge you to be a catalyst to encourage the "Silicon Valleys" of America to invest in our cities, our underserved citizens, our community-based organizations that can fill the void and give the nation a return on its investment that has not been seen before.

Technology is radically changing the social landscape of Edgewood Terrace. If CPDC can find the financial means, we intend to replicate this model to turn other depressed communities into vibrant, self-reliant centers of economic activity. In three years, the electronic village at Edgewood Terrace will be the click heard 'round the world.

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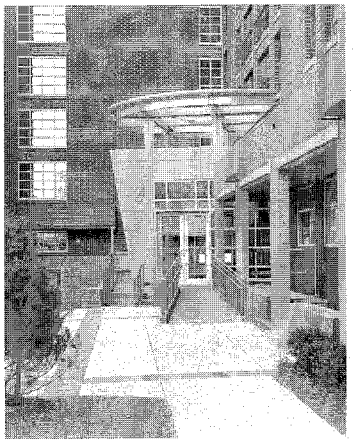
EDGEWOOD TERRACE



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EDGEWOOD TERRACE

AN INTRODUCTION

Community Preservation and Development Corporation (CPDC), a 501(c)(3) corporation, was formed to create and preserve financially sound, socially responsible affordable housing that is linked with on-site community service programs, in which the residents participate to strengthen their communities and increase their opportunities for individual growth.

Edgewood Terrace is an apartment complex, located just north of the Metro station at 4th and Rhode Island Avenue, N.E. and south of Catholic University in Ward 5 of Washington, D.C. In 1995 at Edgewood Terrace, 22% of the individuals and families lived below the poverty level; 45% of households received welfare; 91% earned less than $25,000/year; 41% had not received their high school diploma or a General Equivalency Degree; and, 47% of the non-seniors were unemployed. Health conditions in US Census tract 92.4 revealed that 18% of the births were to mothers below the age of 20 and that 64% of the births were without prenatal care. Additionally, 75% of the births were out of wedlock. Eighty percent of the young people under age 18 were being raised in single parent households. There were 38 violent crimes reported per 1000 persons in Census Tract 92.4, compared to the average of 25 per 1000 for the District of Columbia. Clearly, the statistics of Ward 5, and in particular Edgewood Terrace, revealed the needs of its residents to be tremendous.

OVERVIEW OF THE PROPERTY

Edgewood Terrace is a 16-acre site with 884 units. The complex was developed in 1971 as a model community designed to meet the housing and service needs of low- and moderate-income individuals, families, and the elderly.

Edgewood Terrace is owned by three separate owners and is known as Edgewood Terrace I, II and III. The development includes three high-rise buildings, which house efficiencies, one-, two- and three-bedroom units. The complex also includes 9 garden apartment buildings, which house 72 four-bedroom units and 42 three-bedroom units. Over the years, the ownership and management of the complex have changed.

The neighborhood surrounding the Edgewood Terrace complex is a mix of single-family homes and small rental apartment buildings. Amenities in the community include the Rhode Island Avenue Shopping Center, which houses a Safeway grocery store, an Ames department store, a CVS drug store and a host of other small clothing, food and specialty stores. This shopping center forms the neighborhood's southern border. Catholic University of America (CUA), Trinity College and The National Shrine are the northern border. A significant resource in the community is a nearby Metro subway station that provides a crucial transportation link for all neighborhood residents.

THE VISION: COMMUNITY BUILDING

Edgewood Terrace represented an opportunity to revitalize an inner city neighborhood plagued with economic and physical deterioration and crime. Edgewood Terrace, for a variety of reasons, was the source of the problem in this neighborhood. A reading of the demographics quickly documented Edgewood's economic weaknesses, and one understands the downward spiral of physical deterioration, crime, and social ills. The challenge was to correct this community's problems and make it and its residents strong and viable. By correcting the problems on this site, the deterioration of the surrounding neighborhood will be arrested.

A comprehensive approach addressing the physical and social problems in a coordinated manner gives the residents the opportunities, tools, and motivation to succeed. CPDC and its numerous partners are providing residents with an improved living environment, access to tools and services, and empowerment to deal effectively with the far-reaching issues impacting their lives.

CPDC, in partnership with Edgewood Terrace residents, HUD, local elected officials, and public and private organizations have assumed the challenge of recreating a thriving, healthy neighborhood at Edgewood Terrace. While physical improvements, such as the renovation of poorly maintained structures, was sorely needed, another vital key to building the long-term viability of this community was integrated programs and services designed to engender stability and strength among the individuals and families. Quality housing and comprehensive community service programs are the foundation on which the residents build pride in themselves, their home, and their community.

CPDC has a four-pronged approach to addressing the social needs of this community:

1. Facilitating the involvement of residents;
2. Establishing an integrated, on-site community service center;
3. Creating partnerships between CPDC, public and private organizations, and agencies within the community to address these needs; and
4. Developing an electronic community.

THE CONNECTION @ EDGEWOOD TERRACE

Edgewood Terrace is a unique opportunity to overcome many of obstacles to success facing residents by integrating into the community the fundamental resources and access to tools needed for families, children, adults, and seniors to be stable, self-sufficient, and strong. Edgewood Terrace has significant space on-site that is devoted to non-residential uses, as a kind of village center. At Edgewood Terrace I, there are approximately 38,000 square feet of former commercial/retail space that is utilized for an on-site integrated community services program center, The Connection @ Edgewood Terrace.

The goals of CPDC's community service programs are to:

- Assist in the development of community leadership and promote community interaction;
- Assist residents to identify and use their strengths and talents to meet personal and community needs;
- Strengthen the bonds among the home, the school and the community;
- Expose youth, adults and seniors to cultural, educational, and other enriching experiences, such as role models;
- Provide residents with the tools and resources to become and remain part of the social and economic mainstream;
- Assist residents to develop pride in themselves and their community;
- Provide residents with the tools and resources to decrease or eliminate dependency on public assistance;
- Identify and encourage the use of resources available to the community; and
- Encourage collaboration between public and private community institutions and resources.

NEEDS ASSESSMENT

Before CPDC initiates involvement with a residential community, it undertakes an asset and needs assessment, which is used as a road map for the development and implementation of community service programs. Demographic data reveal that an estimated 1700 persons will occupy the 884 apartments upon completion.
The demographic break-down is as follows:

	As of 9/95	Projected 12/98
Children	337	445
Family Households	165	294
Adults Households (non-Senior) without Children	155	138
Senior Households	300	412

Edgewood Terrace III was originally intended to be an all-senior building; however, several years ago due to a lawsuit 78 non-elderly homeless households (principally categorized as "disabled") were moved into the building. Numerous social problems have resulted. Under CPDC's plan the building will be returned to an all-senior facility with independent living and assisted living with on- site services.

Of the over 300 children residing in the complex in 1995, 33% (114) are age 5 and under, nearly 37% (120) are between the ages of six and eleven, and the remaining 30% (103) are between the ages of 12 and 17. The project attracts a significant number of families with young children because of programs and resources that are available. The complex also includes couples, singles and handicapped individuals. Based on the asset and needs assessment, CPDC is facilitating the development and implementation of comprehensive and integrated, community-based, community service programs, which are known as The Connection @ Edgewood Terrace.

THE MAIN COMPONENTS

- Empowerment and Leadership
- Computer Skills Training
- Employment Program & Economic Development
- Advanced Employment & Education
- EdgeNet, an electronic village
- Child/Youth Education & Enrichment
- Assessment, Referral & follow-up
- Senior Services

RESIDENT INVOLVEMENT

The involvement of residents in developing and implementing the plan for Edgewood Terrace has from the beginning been a significant component. CPDC started working with the residents at Edgewood Terrace I in 1991 to jointly find solutions to the problems of the community. Since that time the activism of the resident association at Edgewood Terrace I has led to increased involvement by the residents in the three other associations, which represent other portions of the site, and the establishment of an umbrella Resident Council to represent the entire community. As the residents see that there are opportunities and a brighter future, meetings that a few years ago would have been attended by ten residents now attract over two hundred. CPDC actively encourages the resident associations by providing resident council training and facilitating the functioning of and participation by the resident councils and several working committees. These include a management committee, rehabilitation committee and a community service programs' resident advisory committee. In the future, it is expected that the various committees and clubs will increasingly staff and operate the programs at The Connection.

COMMUNITY INVESTMENT PROGRAM

The goal of involving the residents and facilitating independence has led to the concept of requiring residents to make a community service commitment to create an environment where there is a sense of community that is shared by all residents. In order to access the benefits offered under the on-site programs, residents are required to participate or volunteer in some community or program activity. Programs include homework assistance and after-school tutoring, working with one or all of the resident associations, participating in the computer learning programs, coaching youth athletics, becoming a youth mentor, assisting the elderly residents with shopping or monitoring those who are alone or isolated, or preparing food for a community event.

THE GATEWAY@EDGEWOOD TERRACE

A computer learning center

The Gateway @ Edgewood Terrace is a computer learning center designed to provide the community with access to technology and to improve their skills. It

is comprised of four networked labs with over 60 workstations equipped with office software, personal productivity applications, educational resources, reference materials, and more. Students may access The Gateway during scheduled open lab times, take classes in Microsoft software programs, and, in the future, learn the latest network administration skills in the Advanced Program. During lab time, users are able to use all of the office and personal productivity software available, as well as the Internet connection, the laser and color printers, the reference materials, and any other resources offered.

CPDC offers **adult classes** that are a series of courses designed to serve a variety of residents' and community members' training needs. A basic instruction series is offered for those who have never used a computer. In addition, classes for beginning and intermediate skills are offered in the following Microsoft products: Word, Excel, Power Point, and Access. These classes all use Microsoft-approved curricula. By completing the series of courses for a particular application, a student would be prepared to take the *Microsoft Proficiency Certification* test. By passing the tests in Word, Excel, and Power Point, the student would become a Certified Microsoft Office User.

CPDC offers computer classes for the **Seniors** learning keyboarding skills, basic computer literacy, and eventually more advanced classes in Microsoft Office. The seniors have enthusiastically taken to the computers and are now doing their resident association's financial statements on the spreadsheet program, assisting in the production of the Edgewood newsletter, and producing agendas and flyers for meetings.

CPDC has developed a teacher training program for residents of Edgewood Terrace who are interested in becoming computer teachers. Once the student has successfully completed courses in Microsoft Office products and has demonstrated mastery of the subject, they participate in an on-going training program to develop effective computer instructors. The teaching and learning process is taught to them and includes other components critical to the success of an effective teacher. Residents are hired as teachers to work at Edgewood Terrace. This experience may then be taken to other institutions and businesses if they so desire.

EDGENET

Whether it be in schools, at work, or in the stores, computers are becoming a way of life. Underserved communities, such as Edgewood Terrace, are even more susceptible to being left behind as technology strides forward.

CPDC is using technology as a revolutionary, community building tool. This tool has changed the perspective of many of the residents, opening up vast new economic opportunities and offering them a stake in the next century. Computers are teaching this community that it has strength within itself and that neighbors can work together and rely on each other. People who have been reliant on government subsidies realize that they can succeed and control their own destinies. The residents of this community are gaining computer skills and expertise and will eventually run and control the computer infrastructure at Edgewood Terrace. This will radically change this community.

CPDC is making a bold statement about equitable access to information technology and resources at Edgewood Terrace with a new, unique residential network called EDGENET. This network brings the power of computers and information technology into residents' homes. Each unit at Edgewood Terrace I will come equipped with a thin-client computer that allows residents to use centrally maintained applications and information resources. Residents will have access to a word-processor, a budgeting application, an e-mail client, a web browser, and a connection to the Internet. Additional information resources, such as on-line encyclopedias or a multimedia American History book, can also be easily provided. This infrastructure will bring the basics to every home. If and when a family desires, they can move up and plug their computer with a broader range of programs into the network.

Residents will also have access to an Intranet site specifically designed for the Edgewood community. This site will serve as a tool for residents to communicate with each other, service providers, local businesses, CPDC partners, or anyone else connected to the Internet. The site will be "by, for, and about the Edgewood Terrace community." A residents council will help maintain the site and establish policies governing content and use of the site. The goal for the site is to create flexible, dynamic resources and communication that the residents will find useful and can adapt to the community's changing needs.

YOUTH DEVELOPMENT

CPDC believes out youth are our future. In support of their development, CPDC provides partners, programs, and services to achieve a holistic approach to development. Programming includes academic support and enrichment, community service, mentoring, recreation, and technology. These program components are integrated to provide a comprehensive and interdisciplinary approach to learning. The programs use an Internet enabled learning environment to foster exploratory and experiential learning that is applicable across disciplines. Programs focus on improving higher order thinking skills, fostering leadership and empowerment, and promoting life-long learning.

EMPLOYMENT

One of the strongest messages delivered to CPDC by the residents is that they want jobs. CPDC committed to bringing employment opportunities and economic development to Edgewood Terrace. With this goal, CPDC developed the following programs:

Computer Office Skills and Employment Program (COSEP)

COSEP provides the foundation for CPDC's comprehensive employment program ladder. The program combines Technical Skills training to become proficient in Microsoft Office with bookends of service to ensure participants are ready and capable to enter the workforce successfully. This 12-week program consists of 156 hours of bookends of services and 120 hours of training to become proficient in Microsoft Office software applications. Participants then can take the Microsoft Office User Specialist (MOUS) certification test on site at the Gateway.

"Book-ends" of Services

- **Intake Assessment and Support Group** provides the central and initial point for building effective relationships and identifying and assisting in the removal of personal barriers.
- **Vocational Evaluation**, conducted by George Washington University, provides a comprehensive assessment of the interests, capabilities, aptitudes, and attitudes of the participants. This component helps identify the expectations and skills required by employers. A variety of certified computer, paper and pencil, and work sample tools are used.
- **Personal & Professional Enhancement Program** (**PPEP Talk**) is often referred to as job readiness. It is delivered by ConServe under the auspices of CPDC principles.
- **Business English Skills Class** is delivered by Catholic University of America to enhance the students basic communications skills for entry level careers.
- **Career Exploration** workshops and individual counseling on higher education opportunities is conducted by the Education Opportunities Center.
- **Career Placement** assistance is provided through the relationship CPDC and its program partners have with businesses, and corporations in the Washington area.
- **Alumni Club** is volunteers from previous classes who mentor new students during and following the class.

@Home.on.Campus Program

To enhance access to higher education and further the employability of the residents of Edgewood Terrace, CPDC has developed, in partnership with Catholic University of American, the "@Home.On.Campus" program - a community-based university. This program brings a satellite campus of CUA to Edgewood Terrace and provides a unique opportunity for residents to get over the first hurdle of advanced education, while providing immediate access to employment. Courses started in the fall of 1995 and include:

- **College Introductory Math and English**
- **Database Design**, a portion of CUA's Records Information Management curriculum
- **Network Administration**
- Legal Assistance

Technology and Economic Advisory Council

To assist CPDC in handling the rapid changes in technology and to assure that our employment program meets the needs of employers, CPDC has created, with the assistance of Microsoft and Fannie Mae, an advisory board of business leaders, **Technology and Economic Advisory Council.**

ECONOMIC DEVELOPMENT

With new horizons, the residents of Edgewood Terrace have expanded their focus. To meet the residents' requests, CPDC is assisting in the creation of an economic development corporation. It will help residents develop and expand their own businesses; teach and expose youth to business and investment techniques; and, serve as a catalyst for improving the economic vibrancy of the community.

EDGEWOOD TERRACE REDEVELOPMENT

EDGEWOOD TERRACE I

The Vantage and The Parke at Edgewood Terrace

CPDC designed Edgewood Terrace I to be a mixed-income complex. The current very low-income households are supported by an extension of the term of the 114 Section 8 units for an additional 15 years. The remaining 178 units are leased at market-rate rents without rental subsidy to families with incomes up to 80 percent of median income. The market units will not be leased under the HUD occupancy requirements; therefore, smaller families have the opportunity to lease larger (three and four bedroom) units.

CPDC and the residents feel strongly that this is a creative and cost-effective approach that will recreate a strong community. This plan can be employed nationally as a model for financing similar redevelopment opportunities. CPDC asserts that this investment, along with the community and social service programs, will ultimately provide avenues for current residents to move out of Section 8 assistance programs and into the marketplace, which is the goal of this effort.

Given the seriously deteriorated physical condition of Edgewood Terrace I, a substantial renovation was needed. The first apartments were completed in June 1997 with the final completion expected to be in September, 1998. Lease-up will be complete in November 1998.

Seven percent of the units have been reconfigured to meet handicapped accessibility standards. The commercial and retail space is being rehabilitated with reconfiguration to accommodate the community service programs, and a new elevator is be installed to meet handicapped accessibility standards in this area as well.

EDGEWOOD TERRACE II

The Vista at Edgewood Terrace

Edgewood Terrace II has 258 units and was financed under the HUD FHA Section 236 Model Cities program that spurred subsidized housing development for moderate-income families through interest rate subsidy and mortgage insurance to developers. This property has 103 Section 8 units, 127 units with residents paying rent based upon 30% of income (basic rent) and 28 market residents paying market rents.

There is no major rehabilitation work planned for Edgewood Terrace II as conscientious maintenance has been performed at this property. CPDC hopes to acquire the property in the future to assure a comprehensive and consistent management approach.

EDGEWOOD TERRACE III:

The View and The Parke

Edgewood Terrace III apartments, which is made up of 292-unit high rise and 42 garden-style apartments, is in need of significant rehabilitation. The physical redevelopment needs of Edgewood Terrace III, 334 apartments, have been determined and CPDC is seeking appropriate financing to fund the redevelopment. The plan for the high-rise building includes returning it to its original use as an all-senior property that includes independent and assisted living.

For the redevelopment of the Edgewood III garden apartments, CPDC competed and was awarded CDBG/HOME funds as well as 9% Low-Income Housing Tax Credits from the District of Columbia Department of Housing and Community Development. These funds will allow CPDC to substantially rehabilitate the gardens as mixed-income housing for families, similar to the garden apartments in Edgewood Terrace I.

CPDC has negotiated with the District of Columbia Housing Authority (DCHA) to acquire Edgewood III high-rise and to leverage the funds DCHA has committed to the rehabilitation of Edgewood III. This, in combination with a FHLB grant, tax credit equity, and another competitive grant, will provide the necessary resources to rehabilitate the property.

MANAGEMENT

Along with the physical renovation plan and the development of comprehensive community service programs, another key element of the plan has been implemented. One management company is managing the entire complex with a coordinated approach to all management issues, in particular security. Edgewood Management Corporation (EMC) has managed Edgewood Terrace II and has been hired by CPDC to manage Edgewood Terrace I and by the District of Columbia Housing Authority to manage Edgewood Terrace III.

The Washington Post

Wednesday, March 15, 2000

123rd Year No. 101

Weather

Today: *Sunny, breezy, mild. High 68. Low 48.*
Thursday: *Windy, warm, rain late. High 72. Low 44.*
Details, Page **B8**

Her housing complex has new windows. And new screens.

"First, it was just kids hanging out here. Then, parents started coming too. My Mom took classes here — and got a new job!"

Today, there's a state-of-the-art computer lab in the Edgewood Terrace community housing complex in northeast Washington, D.C. Created and funded with the help of Microsoft®, the lab provides computer literacy, career training, and kids' programs for hundreds of residents. And soon, every apartment will be wired to the Internet.

At Microsoft, we believe that access to technology gives kids and families the chance to discover the future in themselves. We're helping to create tools and opportunities that empower people everywhere, to learn, grow, and thrive. To find out more about Microsoft's philanthropic programs, visit www.microsoft.com/giving.

Microsoft®
Where do you want to go today?®

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COMPUTERS, TRAINING GIVE NEW HOPE TO WASHINGTON, D.C., NEIGHBORHOOD

BY DAN CATERINICCHIA

To look at the Edgewood Terrace community in Northeast Washington, D.C., with its bright colors, extensive, ongoing construction and high-tech gloss, you would never know that less than a decade ago the same area was known as Little Beirut.

The primary economic activity thriving in the poverty-stricken neighborhood was an open-air drug market. When supplies ran low, dealers would head inside to a storage area and replenish their stock to meet demand.

Now, because of a project called EdgeNet, rooms that once held massive quantities of cocaine and heroin are supplying the neighborhood with other resources—Internet access, computers and training—that have residents excited to live there.

EdgeNet, created by the Community Preservation and Development Corp. (CPDC) with financial help from the U.S. Department of Housing and Urban Development, has made Edgewood one of the most technologically connected communities in the region.

The neighborhood hosts five computer labs, or network learning centers, four of which offer classes for residents to gain computer knowledge, skills certification and job placement opportunities, and a fifth that serves as a college and career resource center. In October, Edgewood began to roll out low-cost desktop computers to more than 300 network-ready apartments.

In a community where residents' incomes range from below the poverty line to 80 percent of the median U.S. income, EdgeNet will help bridge the technological gap that divides income brackets. It also will provide information about jobs and have social and communal benefits.

Urban Renewal

"People will make friends and connections...and these are skills they can teach," said John Zoltner, manager of community technology at Edgewood.

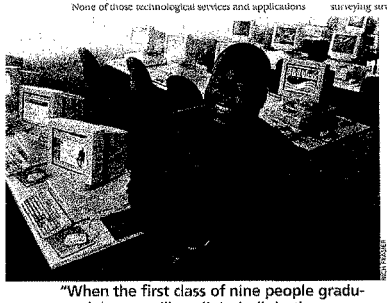
EdgeNet employs Microsoft Corp. Windows-based thin-client terminals, provided at a discount rate by Netier Technologies Inc., Carrollton, Texas, to give Edgewood residents and learning centers network access. Seven Windows NT-based servers from Westborough, Mass.-based Data General Corp. serve as the network's backbone.

Thin-client terminals—which are low-end desktops designed to access applications and data over a network—were not originally part of the EdgeNet plan. But the terminals, which are still gaining popularity in the public and private sector, turned out to be the best way for the community to meet its information technology needs.

"Originally, the goal was to use existing technology better, but we couldn't maintain all the PCs," said Knox McIlwain, manager of technology development at CPDC. "We decided on thin clients before the industry really took off, and we fired three consultants because they said we couldn't do it."

As part of EdgeNet, residents have access to software from SiteScape Inc. that facilitates online community discussions and postings within Edgewood Terrace (see "A Community Forum," Page 31).

None of those technological services and applications would have been possible had it not been for a fed-up residents association seeking help in 1991 from CPDC, a nonprofit organization that helps communities provide affordable housing to low- and moderate-income individuals and also develops community service programs.



"When the first class of nine people graduated, it was a like a light bulb in the community, after darkness for so many years. It had a ripple effect throughout the community."

Albert Browne,
Vice president of Edgewood Community Development

Community leaders told CPDC that they wanted an establishment that would provide job training and employment connections while making residents feel safe, said Albert Browne, vice president of Edgewood Community Development for CPDC.

CPDC originally focused on rebuilding the neighborhood and providing more affordable, safe housing. The organization went to the U.S. Department of Housing and Urban Development for financial assistance, and by 1995, an up-front grant was approved that allowed CPDC to purchase the Edgewood property.

As part of that assistance, HUD asked CPDC if it was interested in incorporating technology into the infrastructure at Edgewood. The organization and residents gave an enthusiastic affirmative response. Edgewood then became the precursor of HUD's now well-established Neighborhood Networks program (www.neighborhoodnetworks.org) and recently was honored with a HUD Best Practices Award.

The original plan was to raze all the buildings and start from scratch, but CPDC decided that was unnecessary after surveying structures on the site, Zoltner said. "Everyone thought it would be better to knock everything down, but it was people problems, not buildings problems," he said.

HUD provided additional funding to build the labs and cubicles at Edgewood, and the community hooked Microsoft early on to donate equipment and applications. "Having HUD and Microsoft as full partners really got the ball rolling," Zoltner said. "So when we decided we wanted to put computers in the apartments," it wasn't long before they had a private partner.

Nine community members attended the first computer class held at Edgewood in 1996.

"When the first class of nine people graduated, it was a like a light bulb in the community, after darkness for so many years," Browne said. "It had a ripple effect throughout the community."

Zoltner said the residents have begun to demand even more from technology, and they recognize the benefits computer training and knowledge offer for education, jobs and economic development.

CPDC and other partners offer a comprehensive slate of courses to Edgewood residents and others interested in increasing their computer knowledge and skills, and gaining job training. The 12-week Computer Office Skills Employment Program targets people looking for computer and office skills to become marketable in the work force. A class of 12 students graduated this past summer.

CPDC partnered with Bell Atlantic for a Telecommunications Customer Service Training program, open to people who are 18 to 24 and have not earned a high school degree or GED. The classes teach Microsoft Office computer applications, customer service skills, English skills and career exploration during the 16-week program. Ten students completed the program this summer.

The Youth Entrepreneurial Skills class, taught by students from nearby Georgetown University, helps teach Edgewood youths how to succeed in business by showing them how to write business plans, negotiate sales, and use accounting and finance techniques.

More programs have been demanded and are on the way, Zoltner said. "We're constantly starting new programs. From career enhancement to computer and office skills...and they are all free except for 25 hours of service residents must perform to put back into the community."

The Edgewood Technology Advisory Board (ETAB), which has 30 members, about a third of whom are active, has served as a liaison between CPDC and the community. Board members have been involved in beta testing the EdgeNet thin clients, informing management what the residents need from the technology.

"With emerging technology moving so rapidly, we want to get ahead and not get left behind," said Bonnie Monroe, a charter member of ETAB. "We share opinions with one another, and it's like a puzzle that comes together. The training programs have really sparked an interest [in the community]."

Monroe, an administrative specialist in the federal government and an Edgewood resident since November 1998, uses computers extensively as part of her job, but she said the classes at Edgewood have helped her learn applications that otherwise would have been inaccessible. The computer training "is outstanding because I don't have the opportunity to work to get into these classes...and it gives me the opportunity to get involved in the community," she said.

The process of providing technology to people has brought people in the neighborhood together.

During beta testing, for example, the more advanced users were helping guide people with less experience and knowhow, Melhuish said. "People are visiting different apartments, and they don't even know each other, but they are teaching each other about the system," he said. "They're not asking each other for childrearing advice, but rather, 'How do I use this damn e-mail?' "

"I've also noticed children in the community getting excited, and it's starting to spread like wildfire," Monroe said.

The Word Gets Out

People from outside the Edgewood community have heard about the technological leaps being taken there and have come to the neighborhood for training. Residents from Maryland, Virginia and Southeast Washington, D.C., have enrolled in 12- to 14-week employment classes, and some residents are teaching night and weekend courses.

Organizations use Edgewood's network learning centers as satellite offices to help the community and to be more accessible to those who want information or aid but can't always get to the specific home sites. Howard and Georgetown universities, D.C. Family Services and American Recovery Management Systems are just a few examples of those taking advantage of cubicles within Edgewood, and more will follow, Zoltner said.

Future projects at Edgewood include a digital sound studio through a partnership with the Levine School of Music, Browne said.

The studio is scheduled to open in the spring of 2000, and Edgewood's technology infrastructure will be used to make digital recordings and teach residents how to integrate computers and music.

Once complete, the studio will take recordings done there and put them on Edgewood's network as a separate site on EdgeNet, giving everyone access to the rhythms created, Zoltner said.

"It's a great example of our partnership model. They provide the equipment and professional educators, and we give them the space and access to the community." ⊙

A Community Forum

SiteScape Inc.'s Internet-based Forum software is expected to play a key role in making Edgenet a community-driven network, community officials said.

Forum provides a World Wide Web browser-based environment in which users can host online discussions, share documents, participate in real-time chat and take advantage of other collaborative functions, accessible only with user identifications and passwords.

"It will really help people get to know other people that live here," said John Zoltner, manager of community technology at Edgewood. "There are a lot of new people in the community, and there's no roots, so they don't know each other."

Bonnita Monroe, an Edgewood resident, said the SiteScape tool has helped establish an important dialogue among community members. "It really encourages online conversations about crime, jobs, allows you to do searches."

"It's exciting for SiteScape because this a new frontier in online communities," said Nathan Saliman, a programmer for the Maynard, Mass.-based team collaboration software company. "We bring together geographically disparate groups, but in an enclosed community.... Sociologically, it's a new use for a technological resource."

CPDC will not be creating any content for the Edgewood site but envisions community members posting their own content and generating the site on their own, as opposed to having to pay an outside source to do it, Zoltner said.

— *Dan Caterinicchia*

I really just want to say thanks. With the support of Microsoft and the help of the Community Preservation and Development Corporation I have a career with a future. Their investment has made a big difference for my family and for me. And it's helping so many other people learn the skills they need to go out into the job market and find the opportunity to build a better life.

BRIDGET McLAURIN

Bridget McLaurin
Office Assistant / Database Secretary
Resource Center
Washington, D.C.

Encarta is so easy to use. Even for students using it for the first time. They respond to it because it helps them work to their own strengths: so visually-oriented children can be as engaged as children who learn best by listening. It gives them hands-on experience, so that learning isn't something passive. It becomes exciting and filled with discovery. Learning this way has helped make my students more self-reliant, and more connected to their own education.

MENDY BROWN

Mendy Brown
5th Grade Science Teacher
North Oldham Middle School
Goshen, Kentucky

it me ns lea

in the classroom,
at work, at home – this
is where it really starts

Our software is a powerful tool in democratizing information and opening the door to opportunity. While we measure financial performance and economic impact, while we count in terrabytes and nanoseconds, we also weigh our efforts in the way our products help people live and learn.

Knowledge is the imperative when it comes to finding a good job and securing a future for yourself and your family. For Bridget McLaurin, our investment in communities has made all the difference. By participating in the Community Preservation and Development Corporation program she became the first graduate of their computer lab, sponsored by Microsoft. By learning our applications Bridget now has a job with a future. Since our investment in the CPDC center, many more have completed the program and moved into the job market with the computer skills businesses seek.

We are also committed to helping all schools develop a learning community where students, teachers, and parents can learn throughout their lives. By working with teaching colleges, state departments of education, and through the distribution of professional development materials, we provide educators with the tools and resources they need to successfully integrate technology into the classroom. Last year Microsoft and our education partners touched 800,000 teachers through various programs and materials. In 1999, we hope to reach more than one million teachers worldwide.

We provide teachers with training materials, lesson plans, wizards, and templates that help streamline routine tasks and help educators incorporate the Office productivity suite into their daily curriculum, helping them use technology in a way that will complement their own teaching styles and bring to schools the same rich, stable, and scalable systems on which businesses now rely.

Every day we see the impact in the most important place of all: the eyes of children. In Goshen, Kentucky, Mendy Brown's sixth grade science class used Microsoft Encarta to help construct a virtual field trip of the St. Louis Zoo. Encarta enabled her students to learn in a way that best suited their own skills and interests. And, in addition to learning about animals and habitats, they discovered a simple truth: our planet is full of people who care deeply about their work and the world around them. The students connected with their subject in a way no textbook can match: trading e-mail with zoologists from all over the world, the students got answers in a way that transformed the sometimes abstract nature of classroom learning into something very personal and very real.

We are bringing the world into the classroom and helping administrators run efficient educational organizations. Whether students are using Encarta to explore the world around them, accessing the World Wide Web, or just checking out a book from the school library, Microsoft and the companies we team with are helping to bring technology into a new world of learning. And this is typical of the way in which our technology opens the doors to learning that is more profound, more personal.

What must be obvious by now is that, as a company and as individuals, we're very passionate about what we do. The implications of our technology multiply and the promise grows. You experience that passion in the details making our software and systems recognize you as an individual with specific preferences and your own way of doing things.

The technology that helps Mrs. Brown's class with a virtual field trip is basically the same technology businesses use for electronic commerce and you use when you look for information, entertainment, goods and services at home. By interacting with Sidewalk, Expedia, CarPoint, HomeAdvisor or the Internet Gaming Zone. By getting news and opinion from MSNBC and Slate* online magazine. By monitoring your portfolio with Microsoft Investor. Our success on the Internet demands that we not only engineer our software to be the best, but that we develop content and functionality that is compelling to consumers, to students and educators, and to businesses, so that the Internet really helps everyone in learning, work, and leisure.

Making it possible for people to find new opportunities. Making a connected learning community and a connected world. Making it safe and easy to pay your light bill over the Internet. Making technology a tool for the discovery of new ideas.

When it's all said and done, maybe this is where it really starts.

The new HP DeskJet 970C. hp invent

February 9, 2000

Center in Capital Called a Success in Spanning the Technology Gap

By RAJU CHEBIUM

WASHINGTON -- If she had not contacted the Gateway computer training center, Patricia Fisher would still be on the wrong side of the digital divide.

Community Preservation and Development Corp.

The Gateway center at Edgewood Terrace in Washington.

Ms. Fisher, a 26-year-old single mother, would still be earning minimum wage at Starbucks, relying on food stamps and rental assistance, and wondering how to provide a better life for herself and her 5-year-old son, Michael.

Now, after completing a free three-month office technology program at Gateway, Ms. Fisher earns more than twice her previous salary. And she wants to finish high school and go to college to pursue a career in the booming information technology field.

"I used to cry all the while and say, 'What am I going to offer this child?' " said Ms. Fisher, who works as a telephone receptionist at Abt Associates, a government and policy research firm in Bethesda, Md., a Washington suburb. "When I went into this program, it supported me 100 percent. And that was what made me move on with my life."

Ms. Fisher is one of 180 low-income Washington residents who have gained the skills to enter the modern workforce at Gateway, a community and job-training center run by a nonprofit real-estate group in Bethesda called the Community Preservation and Development Corp. CPDC is also wiring all 800 units at Edgewood Terrace, a low-income housing community in the northwest section of Washington the company owns and where Gateway is situated, and aims to install computers in every apartment by 2002.

"This is beyond access, this is control," said Leslie Steen, president of CPDC. "Residents who have control of the technology will end up having control of the community."

"I think in a wired community," she added, "you'll see civic change, you'll see civic activity."

At a time when President Clinton has proposed new nationwide efforts to span what he calls the digital divide between technology haves and have-nots, CPDC's approach to lift people out of poverty has drawn praise from federal officials.

Related Article
Clinton Rallies Help to Increase Computer Use (February 3, 2000)

The Department of Housing and Urban Development has touted Edgewood Terrace as an example of how residents, private groups and businesses must work together to improve communities from the ground up. Charlie Famulinor, who heads HUD's Neighborhood Networks Initiative, calls Edgewood Terrace the "Cadillac" of the nation's 600 or so community development programs.

Edgewood Terrace could win more notice in the coming years because of its success in bridging the technology gap.

In this year's State of the Union address, the President said the administration was considering a program to offer $50 million in grants to communities that are helping residents get online, part of a $2.3 billion initiative to expand computer use.

Community Preservation and Development Corporation

Patricia Cox, left and Zack Rosenberg teach a class, with Bolo Sokrut, at the computer.

The computer industry is also interested in narrowing the technology gap. Silicon Valley executives, in a meeting with presidential aides in December, pushed a plan called ClickStart, which would allow people to buy hardware and Internet access through federal vouchers.

CPDC bought Edgewood Terrace in 1991 to renovate a community that was once called "Little Beirut" because of crime and drugs. Officials quickly realized that merely tearing down homes and building new ones would not do. What was needed, said Al Browne, a CPDC vice president in charge of Edgewood, was a way to help people earn more. The idea is a prosperous community will not fall victim to social ills.

"You cannot change communities by brick and mortar alone," he said.

In 1995, CPDC turned to federal housing officials to establish a job-training center at Edgewood Terrace. HUD gave a $1.2 million grant. Then Microsoft donated software worth the same amount.

"Corporate America is not great at managing social programs," said Chris Roberts, business development manager for Microsoft's mid-Atlantic region office, who has worked with Gateway since the start. "At the same time, we have a social responsibility."

Other partners soon came aboard: Dell and other companies donated computers; Bell Atlantic gave $500,000 to train people for customer-service jobs; Beacon House Ministries established after-school programs; Catholic, Georgetown and other Washington universities offered to help.

Today, about 80 District of Columbia residents take classes any given day in the modern classrooms of the Gateway center, which resembles a small conference center.

People learn how to use software such as Microsoft Office, Word and Excel. Teenagers can take entrepreneurship classes at the Georgetown business school. A program that teaches Web design skills is being revamped. Gateway offers one-on-one tutoring for those who wish to take the GED exam. Younger children are taught how to use computers.

Community Preservation and Development Corporation

Nina Abya, left, talks with a client from behind the registration desk at the Gateway Learning Center.

Gateway even teaches residents the basics of surviving in the working world, like how to dress, how to conduct oneself and the importance of punctuality. Finally, CPDC helps students find jobs. Though students pay little or nothing, they must volunteer for at least 25 hours at Edgewood Terrace or elsewhere.

Browne said about 70 percent of the students are on welfare and many of them are single mothers. Running Gateway costs nearly $2 million annually; wiring Edgewood Terrace to the Internet and putting in computers costs an additional $2 million each year. CPDC bears the cost and also gets some private foundation money and public funds from the District of Columbia.

HUD no longer provides money for neighborhood network centers, but offers advice and other assistance, Famulinor said.

He and CPDC officials emphasized that no program will work if the community is not involved. Residents of Edgewood Terrace are so involved that Ms. Fisher and about 15 other residents have formed an advisory board to help CPDC plan and carry out programs step by step.

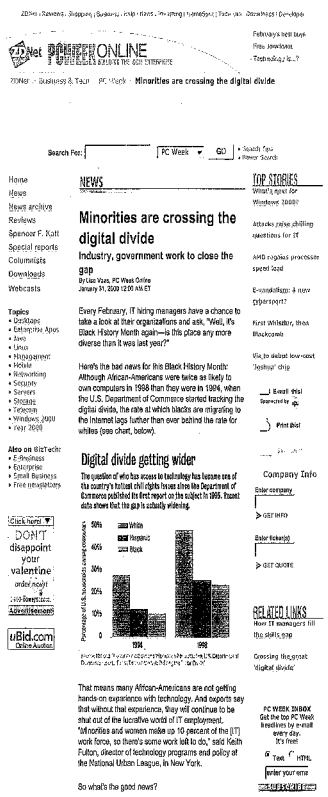
Ms. Steen, the CPDC president, said she envisioned a time when the residents become so self-reliant that they can take over Gateway. That is fine by her, because such a move would mean that the community is in charge of its economic future.

"Our goal is to work ourselves out of a job," she said.

Related Sites

These sites are not part of The New York Times on the Web, and The Times has no control over their content or availability.

- U.S. Department of Housing and Urban Development
- Neighborhood Networks Initiative
- Community Preservation and Development Corp. (CPDC)
- Edgewood Terrace



You can sum it up in three words: IT skills shortage. "The demand for workers is so strong, it just boils down to a question of skills and outreach," Fulton said.

That revenous demand for IT talent has given birth to an inspiring range of programs intended to draw more minorities into the profession. For instance, companies such as Bell Atlantic Corp., Microsoft Corp. and Netler Technologies Inc. are donating hardware, software and training to help residents of a once crime-infested inner-city project get jobs. In addition, the federal government is readying an initiative called "ClickStart" that will provide PCs and Internet access to low-income families and is also expanding the number of tax-advantaged "empowerment zones," which help technology startups put down roots in the inner city. Such efforts are joining scores of nonprofit programs, such as the annual High School Computer Competition put together by the Black Data Processing Associates, whose work long predates the skills shortage.

Put your money where the people are

Can these initiatives close the digital divide? And will they appease IT's need for skills by delivering minority workers who are hungry for jobs? Not in and of themselves. Experts say that before those goals are achieved, corporations must get their heads out of the silicon and start looking where the workers are.

"It's one thing to be trained, but if companies don't know where to find the pools of ready and willing workers, you may miss qualified people by default," Fulton said. "There needs to be better outreach to colleges and universities and to programs in urban areas."

One of those pools of willing workers can be found in an urban area called Edgewood Terrace, in Washington.

Edgewood, an 884-unit apartment complex, was once about as inviting and safe as West Beirut. In fact, because of its crime level and crack houses, Washington police and TV stations referred to the beleaguered neighborhood as "Little Beirut."

In 1991, though, a nonprofit organization, the Community Preservation and Development Corp., took charge of turning Edgewood around. At the heart of that turnaround are EdgeNet and The Gateway@Edgewood Terrace. EdgeNet is a network of thin clients hooked up to centrally maintained applications that, over the next two years, will give residents access to the tools of computer literacy. The Gateway@Edgewood Terrace is a computer learning center comprising four networked labs with more than 60 workstations. The center offers classes in computer skills and applications and, in the future, will offer network management and beginning Microsoft Certified Systems Engineer courses.

Where will it all lead? To a community that is empowered by e-mail, an intranet and the Internet to make decisions on its own, whether about the community or about its own technology. It will also lead to good jobs—the unemployment rate in the project has shrunk from 47 percent to 33 percent since the program started.

"The technology is what enables people to get into [illegible] living-wage jobs," said Leslie Steen, president of the CPDC, in Washington. "Then it gives them the ability to have an IT career path as well."

And, many corporations are willing—even eager—to hire the people that the Edgewood programs have to offer.

"We love to hire [Edgewood residents] and hire as many as we can," said Marianne Section, manager of external affairs at the Washington offices of Bell Atlantic, one of the CPDC's partners and a major benefactor in donating technology and job training to Edgewood. "It makes more sense to groom the people who are here, for sustained regional economic growth."

But, while Bell Atlantic has hired basic computer training graduates from Edgewood for entry-level jobs such as customer service and residential sales and services, the goal of EdgeNet is also to prepare residents for more technically challenging IT positions. To that end, Microsoft has donated all the software that runs on the central Cisco General servers in the network, anticipating that as Edgewood residents are exposed to thin clients every day in their homes and to sophisticated training courses such as Web development, they'll be hooked.

"Just because there's a skills shortage doesn't mean they'll hire you just if you can spell the word 'computer,'" said Chris Roberts, a business development manager for Microsoft who's based in Washington and who administers Microsoft's partnership with the CPDC. That's the point of "the Web development course at Edgewood. If you get involved, you get engrossed, and you get more proficient."

Some businesses, such as Transparent Technology Corp., are setting up shop in urban areas, where they know they'll find qualified help.

"We located our business in the city because of our experience with Edgewood and knowing there are a lot of educated people in the city who are looking for work," said John Zollner, former community technology manager for Edgewood, who, with two other Edgewood technologists, went on to found Transparent Technology, a four-person services outsourcing startup.

"We feel that, in order to really turn around neighborhoods like Edgewood, we need not only high-tech training programs but for-profit companies based in center cities who are willing to hire the products of those training programs," said Zollner, in Washington. "We hope to be one of those companies."

Fleeing the 'burbs

The phenomenon of high-tech startups turning their backs on racially homogeneous suburbs in favor of the inner city isn't limited to the East Coast. It's even happening in the Bay Area, where most new companies have historically chosen to settle in Silicon Valley.

"Are firms escaping from Silicon Valley to the inner city? Boy, is that the understatement of the universe," said Marie Jones, director of economic development at The San Francisco Partnership, a nonprofit organization that works with companies interested in relocating to the city. "The answer would be a profound and unambiguous yes."

Tax incentives, pools of willing workers and affordable real estate are the lures for companies to abandon suburban office parks, experts say.

"The warehouses and abandoned buildings in inner cities are prime real estate waiting to be developed," said Microsoft's Roberts. "[Startups are saying,] 'If I can find real estate that cheap, with access to transportation and a work force that lives next door, we'd move there in a heartbeat.'"

But while companies moving to the cities and new computer training programs are all good news for urban African-Americans who are new to technology, black IT pros still need networking resources to succeed. That's where the BDPA comes in.

To that end, the group holds a yearly conference that also features a job fair and the BDPA's crowning glory, its High School Computer Competition, where mostly—but not exclusively—African-American youth battle it out in technological races to do tasks such as post Web pages.

These efforts are soaking teenagers into becoming technologists, said Chester Grice, president of the Dayton, Ohio, BDPA chapter and High School Computer Competition coordinator. "Out of the students who attend the national conference, about two out of a team of five go straight into IT, no questions asked," Grice said.

Veronica Flores is one of those who took the "straight to IT" path. The 18-year-old computer IS student at Baruch College, in New York, said being chosen for the New York team was the best thing that ever happened to her. "I was so happy when I got picked," Flores said. "That day, I was walking by the phone. I was pacing. My dad told me I was making him dizzy."

So what can IT organizations do to tap into that inspiring enthusiasm? A first step is to hit the career fair circuit.

However, experts say, once you've successfully recruited minority workers, the job's not over; to keep them, you've got to demonstrate that they will have the same career opportunities as nonminority IT hires.

"If people have these technical skills, [they're in high demand in the job market, and] you can get them to exit the work force pretty quickly if the environment doesn't show signs of welcome," said Joe Cleveland, president of Enterprise Information Systems at Lockheed Martin Corp., in Orlando. "If you can't demonstrate to them that it's a level playing field, then they'll be gone."

A home on the Web

African-Americans aren't sitting around waiting for someone to build them a bridge over the infamous digital divide. Instead, they're building it themselves. Here are some of the sites where African-American IT professionals are networking and educating:

SUMMER 1999

NEWS BRIEF

July 21-23: Celebrate the Neighborhood Networks Conference, Most Precious Asset of HUD's Best Practices and Technical Symposium. Theme: Building a Better Tomorrow.

The Net's Working:
Centers Cast Their Nets and Garner Partners

Neighborhood Networks has done some creative networking, forging formal alliances with some of the country's leading national nonprofit organizations. At the local level, too, individual centers nationwide are developing innovative local partnerships that are helping them expand programming and services in underserved communities.

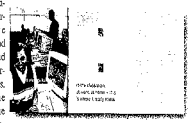
"Charity is the heart of corporate giving, but partnerships between the business sector and a Neighborhood Networks center are really engines of economic mobility. They can change a life as well as the fabric of a community."

– HUD Secretary Andrew Cuomo

Among the formal alliances are the American Association of Retired Persons (AARP), which is promoting computer literacy among senior citizens living at HUD-assisted and/or -insured properties, and the National Urban League [see related stories].

"Partnerships, whether they are national or local, are an absolute must if [Neighborhood Networks centers] are to take root and flourish," said Charles Fiumalinet, national field director for Neighborhood Networks.

Grassroots partnerships are the mainstay of Neighborhood Networks centers, providing direct financial assistance, grants, loans and in-kind services from generous donors whose contributions defray start-up and operational expenses. There are 490 Neighborhood Networks centers nationwide, supported by thousands of partnerships with businesses and corporations, schools and colleges, religious groups, civic organizations, public agencies, foundations and hospitals, all working cooperatively to improve the lives of lower-income individuals and families, the elderly and the disabled living in privately-owned HUD-assisted and/or -insured housing.



Gateway@Edgewood Terrace in Washington, DC, was featured in Microsoft's 1998 Annual Report as a result of a partnership with the tech-giant. Resident Bridget McLaurin's success story was featured in Microsoft's corporate giving brochure. Microsoft donated $5,000 and $10,000 in software for the Neighborhood Networks center's Computer Skills and Office Employment Programs where McLaurin was among 250 residents to graduate from several programs offered at the center.

"By design, each Neighborhood Networks center is different because it was created to meet the specific needs of the community in which it is located. By choosing the right partners, opportunities for center development are limitless," Fiumalinet said.

Some of the most innovative Neighborhood Networks partnerships provide jobs to residents who successfully complete training and job skills programs.

- Trump AC Properties is helping residents find employment in the gaming and hospitality industries. In Atlantic City, NJ, residents at the **Atlantic Villas Neighborhood Networks Center** are learning important job training skills—direct from the professionals. This training is giving participants the chance to enter New Jersey's fast-growing casino industry, which employs nearly 50,000 people and may need an additional 20,000 workers over the next five years. Trump helped the center hammer out a training curriculum

Continued on page 4

Get Involved with Neighborhood Networks

To learn how you can participate in Neighborhood Networks efforts nationally and in your local community, contact the **Neighborhood Networks Information Center toll-free at (888) 312-2743** or visit the website at ***www.NeighborhoodNetworks.org.***

Neighborhood Networks News Brief is a quarterly publication for public and private partners and supporters.

Neighborhood Networks

U.S. Department of Housing and Urban Development

Neighborhood Networks Launches Nationwide Children's Health Insurance Enrollment Effort

Supporting President Clinton's initiative to provide health care coverage to as many as 11 million children, Neighborhood Networks recently kicked off a nationwide grassroots effort to enroll children in the $24 billion Children's Health Insurance Program (CHIP) which was signed into law by the President in August 1997.

CHIP is a state-administered health insurance program, which provides coverage to uninsured children up to age 19.

The program benefits parents whose income is too high to qualify them for Medicaid and who do not receive or cannot afford health insurance through their employer.

The kickoff event was held April 17 at **The Vantage and The Parke at the Edgewood Terrace Apartments in Washington, DC.** It was the first of a series of events taking place at Neighborhood Networks centers throughout the nation. More than 80 Neighborhood Networks centers have expressed interest in working with the CHIP Neighborhood Networks collaboration to provide health care insurance to children.

The Edgewood event was sponsored and organized through a Neighborhood Networks collaboration with the National Consortium for African American Children, Alpha Kappa Alpha Sorority Inc., and HOPE For Kids, whose volunteers assisted residents in enrolling children in CHIP. Capital Community Health Plan, a local health maintenance organization, provided free health screenings.

From left: Charles Fiumalinet, HUD Neighborhood Networks national field director; Brenda Exum, president and CEO, National Consortium for African American Children; Leslie Torres, president, Community Preservation and Development Corp.; Cora Olson, program committee member, Alpha Kappa Alpha Sorority, North Atlantic Region; Shantiye Pruitt, public health analyst, Bureau of Primary Health Care and Pamela Lockett, program director, HOPE for Kids, Inc., share an informal moment before the program.

Cynthia Fiumalinet, HUD Neighborhood Networks national field director, welcomes a representative of Alpha Kappa Alpha Sorority, one of the CHIP event sponsors.

Volunteers for HOPE for Kids acquaint residents with the CHIP initiative.

For more information about CHIP, contact Ruth Fisher of Neighborhood Networks at 1-888-312-2743.

Newswatch

- In February, the *Columbus Telegram* and radio station *KNIR-FM* featured a grand opening at the **Columbian Village Neighborhood Networks Center in Columbus, NE.**
- In Washington state, the *Spokane Journal of Business* published an article on the new center at **Lilac Plaza in Spokane.**
- The *Jackson Clarion Ledger* recently highlighted the grand opening of the Neighborhood Networks center at the **Southview Apartments in Aberdeen, MS.**
- The *Camden Courier Post*, a New Jersey daily newspaper, published an article about the opening of a new center at **Browns Woods Apartments in Browns Woods, NJ.**

orhood Networks' Future

Neighborhood Networks Wins Best Practices Awards

Neighborhood Networks was named one the nation's leading community development programs, winning 16 local and national Best Practices awards at Building a Better Tomorrow, HUD's Best Practices and Technical Assistance Symposium. HUD Secretary Andrew Cuomo called these winners the "best of the best" in community development practice.

The national Neighborhood Networks initiative was selected for the important role it plays in helping residents achieve economic self-sufficiency. Montgomery Townhouses Neighborhood Networks Center in Philadelphia, Pa., Gateway at Edgewood Terrace in Washington, D.C., and the nonprofit CommonBond of St. Paul, Minn., which operates several Neighborhood Networks centers, were also among the top 100.

Tim Gateway @ Edgewood Terrace in Washington, DC was among the award-winning Neighborhood Networks centers. Shown are Saul Ramirez, Jr., HUD Deputy Secretary; Alicia Bresson, Vice President, Community Preservation and Development Corp. who accepted the award; Leslie A. Exum, President, Community Preservation and Development Corp.; William Apgar; and Karen Miller, Secretary Representative, HUD.

These centers and consortia also received 1999 Best Practices recognition:

- Grove Neighborhood Network, Greeley, Colo.
- Eastwood Neighborhood Networks Learning Center, Chicago, Ill.
- Communities Online (Orchard Mews Apartments), Baltimore, Md.
- LSS Neighborhood Networks Computer Center, Buffalo, N.Y.

Continued on page 3

Weather
Today: Partly sunny, warm. High 67. Low 40.
Wednesday: Mostly sunny, warm. High 67. Low 40.
Details, Page B10.

The Washington Post

Inside: Health
Today's Contents on Page A2

25¢

TUESDAY, FEBRUARY 9, 1999

Volunteers

Teens-Seniors Connections

Correcting Misconceptions & Building Bonds

By Laura Sessions Stepp
Washington Post Staff Writer

Eight years ago, a visionary middle-school teacher named LaVerne Toler approached the Interages Center in Wheaton to ask if some of her kids could be paired with seniors to perform community service. SETS, or Self Esteem Through Service, was born, and every three weeks since then, small groups of teenagers in Montgomery County have met with adults four to six times their age to make sandwiches for the homeless, greeting cards for sick children and simply to get acquainted.

They can be powerful supports to each other—such teen-senior alliances—joining the energy and idealism of youth with the patience and wisdom of age. Teens, many of whom will live longer than any previous generation, can study firsthand the meaning of that long life to come. Seniors have someone with whom they can share good ideas and bad jokes. Each can make the other feel useful, a rare gift for both in a middle-age-obsessed society.

The obstacles to such collaborations are numerous. Kids get paying jobs, or simply don't show. The elderly move away, become senile, and die. Nonetheless, organizations and businesses around the country are catching on to the potential. Microsoft Corp., for example, provides software and technical assistance to high school seniors in Mt. Rainier, Wash., who teach computer skills to senior citizens. The senior citizens then are able to communicate with grandchildren, research family history and build Web sites. In a similar project in Seattle, high-school students show senior citizens how to e-mail third- and fourth-grade Computer Pals.

One of Microsoft's latest ventures is at Edgewood Terrace in Northeast Washington where Community Preservation and Development Corp. (CPDC), the nonprofit corporation that owns the rental community, is nursing a new Teens to Seniors program. Five teen/senior pairs shop, cook, or do homework together, and there are plans to put them together on computers to build a database for the community's three resident associations.

Directors of these programs say attitude is the biggest hurdle in the beginning. Dorothy Tucker, CPDC's program director, says some seniors she approached for that initiative saw teens as "troubled, dangerous people that they should not get involved with." At the same time, some of Edgewood's teens "thought seniors were boring, dull and confused."

BY MARK PENN-MAGUIRE FOR THE WASHINGTON POST

Richard Greene, 74, talks with Keesha Hill, 17, as part of the Teens to Seniors program at Edgewood Terrace in Northeast D.C.

Edgewood seemed to be a natural, however, for pairing teens and seniors because the 18-acre, 894-unit site was home to so many kids and elderly people. Teens and seniors already worked together on the resident association boards, and helped each other out informally.

Keesha Hill, for example, a junior at Dunbar High School, was a companion to Dorothy Mann, a housebound senior in her building. She would take over fried chicken and greens, and look after Mann's cat, O.J. She would talk to "Miss Mann," as she called her friend, about God and grades. Hill's grandparents were either dead or lived far away; Miss Mann became her grandma.

One afternoon last fall, while watching Ricki Lake on television, Hill heard from her mother that Dorothy Mann had died.

"It was fast, just like this," Hill recalls, snapping her fingers. "You know how people pass away. I felt real bad." She not only felt bad, she started acting bad, talking back to her mom, skipping school one day.

Hill is telling some of this to a new, old friend, Richard Greene, a 74-year-old resident at Edgewood. CPDC has put the two of them together, but Hill's feelings from the death of her former friend are still raw. She's not sure she's ready for another match, formal or informal. Greene, however, is an adept talker—and listener.

"Who suffered from that?" he asks about her misbehavior.

"I did," she answers. "I got three weeks of punishment. I couldn't go anywhere, make no phone calls, no e-mail."

"And what are you doing now?" Greene raises her on.

"Trying to get the rest of my education."

Now, Greene, a retired Smithsonian security guard, has lots of questions. Is she going to apply for a scholarship? What is her grade point average? She'll have to maintain an A/B average to be accepted into any good college or university, he reminds her. Affirmative action won't pave the way anymore.

"I've seen you on the keys," Greene nods toward a computer room with banks of new Dell computers. "You're good. Where did you get that?"

Hill tells him she learned the basics at a computer class in the complex. "Then I started practicing."

"Studying in school is just like that." Green is going somewhere with this. "Your brain is a computer. You have to practice using it."

Hill nods. When Greene leaves, she volunteers, "He was interesting. I learned some thing from him." She might look him up, she says, "when I feel more comfortable at doing that kind of thing again."

There is no "fright" from Noah Mitchum, a red-headed eighth-grader at Sligo Middle School who takes part in Toler's SETS program. "I learn a lot from the seniors," the affable 14-year-old says shortly after arriving at Leafy House, a subsidized apartment building for senior citizens in Kensington. On an earlier visit to Leafy, one of the elderly men demonstrated how an old-fashioned penknife works. "I didn't know you could use knives for pens," Mitchum says.

Unlike the Edgewood program, SETS is highly structured. At the beginning of the school year, Sligo students hear a lecture on aging by Barbara Hammack of Interages. They travel to Leafy House every three weeks after that for about an hour with the seniors. Back in the classroom with Toler, they discuss what they've witnessed and learned and want to know more about.

Toler, Mitchum's teacher, says she originally solicited Interages' help because she wanted her students, a bright but vulnerable population, to learn that "life is about giving as well as taking." Hammack was intrigued with Toler's concept because she believed that kids in Montgomery County were growing up with no sense of history and that seniors, a powerful voting block, had no idea what it was like to be young. She and Toler agreed that the two populations should be asked to do things together. "If someone calls and asks where is there a nursing home where kids can sing Christmas carols, I say look in the phone book," Hammack says. "That's not what we're about."

On the day that he is to make valentines at Leafy House, Mitchum takes his place at a table next to Ted Miller, a 73-year-old retired mechanic. Miller has been telling jokes before the kids arrive but as he sits down, he goes quiet. He watches Mitchum deftly cut a heart out of red construction paper and begin to stencil another heart on top using a white doily. Miller asks for a white doily and Mitchum hands it to him; Miller draws a smiley face on the doily with pink magic marker while continuing to watch Mitchum's nimble fingers out of the corner of his eye.

Mitchum glances at Miller's smiley face. "You know what they say, laughter is the best medicine."

"They also say life isn't a laughing matter," Miller comes back.

Mitchum looks up. "I've heard that, too."

"It's worth repeating," Miller says.

Mitchum has completed his rather elaborate valentine and has started stuffing another. Miller, unhappy with his first smiley face, removes his doily, grabs another and draws another face with bigger eyes and a broader smile.

"It's not much better," he says gluntly to his young partner.

"I think they're both fine," Mitchum says.

For information on how to start a teen-senior program, contact Interages, a resource center: 301-949-3551.

Serving Out

When Jason Carter was 13, he followed his famous grandfather Jimmy around Uganda, an East African country coming up for air after three decades of terrorism and civil war. Carter, the already polished, eldest grandson of America's 39th president, was blown away by the poverty and disease he saw there—and by the number of boys his age and younger carrying AK-47 rifles.

That trip 10 years ago, Carter says now, sent him in the direction of public service or public office. He's really not sure which, but at the moment he's with the Peace Corps, building a library in a South African village and pretty sure he wouldn't be if it weren't for his granddad.

Carter grew up in a well-to-do home in Evanston, Ill., son of Jack Carter, a commodities trader, and Judy Langford, a nationally known expert in children's policy. He graduated as a political science major from the comfortably preppy Duke University in 1997. When he was 8, Jimmy Carter took Jason fly-fishing in Alaska; in the years afterward they played together at Disney World and and monitored elections in Jamaica. When apart, they talked on the telephone and by e-mail. "What are you up?" his grandfather would ask, followed by the more difficult, "Why that?"

"My grandfather showed me that with each opportunity comes a responsibility," Carter says. "You can lead a full life, a life that is great and fun."

BY TYLER MABRY OF THE WASHINGTON POST

Jimmy Carter and grandson Jason Carter flank moderator Charlayne Hunter-Gault at the international conference on leadership held in Washington recently.

He's sitting in the swank lobby of a downtown Washington hotel, wearing a newly pressed gray suit, blue Oxford shirt and tie. His light brown hair barely brushes the tips of his ears. He's so clean-cut and flashes the famous family smile so often, you think "Cute. Is really means what he says."

In four hours, he and his grandfather will appear together at an international conference on leadership aimed at the under-thirties and the over-sixties. His assignment: to talk about why young and old should work together. He has had years to think about such things.

"We both have more time than my parents' generation," he says. "Young people are just developing their skills; the older people have so much to tell and show us. We don't have to reinvent the wheel. We just have to listen."

That night, during the dialogue, he admits there's one more thing his grandfather taught him.

"Not to say 'like' so much in my sentences."

—Laura Sessions Stepp

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MISSION

Community Preservation and Development Corporation (CPDC), a non-profit 501 (c)(3) corporation, creates affordable housing for low- and moderate-income residents. CPDC develops partnerships with its residents to establish community service programs that increase opportunities for community and individual growth.

SOLID FOUNDATIONS FOR PEOPLE AND PROPERTIES

Many factors have adversely affected the quality and viability of affordable housing in Washington, Maryland and Virginia. CPDC acquires and redevelops housing stock in these areas, becomes deeply involved with the community to understand its strengthens and weakness, and develops community service programs, in partnership with residents, to address the needs and build on the strengths to turn around their communities.

CPDC's philosophy of combining physical rehabilitation, resident involvement, and ongoing community service programs ensures that affordable housing communities return to and remain a healthy part of the social and economic mainstreams.

PARTNERS FOR IMPROVEMENT

CPDC works with residents, lenders, public bodies, employers, community groups, private enterprise, churches, nonprofit organizations, social service agencies, property management firms, police, and educational institutions to rebuild the fabric of communities into strong, sustainable networks of resources working with and depending on each other. Acting in many roles, CPDC offers its knowledge and experience to all stakeholders in community building.

EXPERIENCE AND EXPERTISE

Since its founding in 1989, CPDC has acquired 13 affordable housing properties totaling 1,847 units; 5 properties have required substantial redevelopment. CPDC operates and coordinates community service programs in 7 of these properties in conjunction with dozens of partners.

Although its role varies from project to project, CPDC is able to manage a development process from its first commitment to the community to a completed project's daily operation.

CPDC's diverse staff and board have the expertise and abilities to meet the associated set of responsibilities, including: negotiating acquisitions and assembling and placing the multifaceted financing structures needed for affordable-housing projects; developing construction specifications and overseeing construction; supervising rental processes; managing assets for the long term; and working from within communities. In addition, CPDC's group has a thorough understanding of government programs and maintains strong working relationships with public agencies at all levels. CPDC has built credibility as an organization that efficiently operates cost-effective, stable, and affordable housing.

FINANCIAL OVERVIEW

CPDC purchases and re-develops deteriorating properties using a variety of financing programs. CPDC utilizes the low income housing tax credit to raise funds from limited partners; conventional first mortgages provided by banks or housing finance agencies using tax exempt or taxable bonds; low interest rate loans; and, competitive grants from governments and foundations. For each property CPDC expertly combines these resources into a complex web of financing and regulation to create a reinvigorated property serving the needs of its community.

HEALTH INSURANCE FOR PROPERTIES

CPDC provides asset management services to ensure the long term financial health and viability of their properties. CPDC ensures that the agent uses all of the best management practices of both subsidized and market-rate housing. In this capacity, CPDC closely supervises and directs the management agent bringing significant expertise in areas, such as the investigation and correction of unusual physical problems; ensuring effective budgeting and expenditures; determining appropriate rent increases; creating and teaching new regulatory compliance controls; establishing rules and regulations with the cooperation of the resident leadership.

Whenever possible CPDC creates communities that are economically diverse and integrated. Meeting this challenge, coupled with working in an urban environment and utilizing government programs, requires a command of multiple and diverse management skills. CPDC gains a thorough knowledge of the market and the forces that control it; we ensure that our properties have an environment that attracts higher income households; and we create and ensure implementation of a marketing plan that is targeted to a broad market.

MORE THAN HOUSING

CPDC strengthens communities by developing, facilitating, coordinating, and monitoring programs that meet the needs of residents of affordable housing and creating opportunities for and encouraging community service. Community service programs that give residents opportunities for personal growth and encourage participation result in a community of citizens working together and relying on each other. This is what a strong community is.

Before development begins, CPDC gathers input from residents, conducts an asset and needs assessment, and compiles and analyzes demographic data. CPDC works with community leadership to ensure broad and meaningful participation locates experienced partners to provide services, and coordinates service delivery. It also runs and staffs empowerment services, employment, education, and technology programs. The programs coordinated by CPDC include, but are not limited to: child care, youth development, educational, recreational, and cultural activities for youth, adult and youth job readiness and job training, senior social and wellness programs, small business development, computer technology education and training, and empowerment services.

COMMUNITY SERVICE PROGRAMS

Affordable Housing cost and quality are only two of the problems facing a great many low- and middle-income individuals and families. Many residents need skills, experiences, and resources that will help them build a base for individual self-sufficiency and community strength. Vital services-transportation, child care, health services, job training, mentoring, and leadership education-are needed close to home.

CPDC's PROGRAMS

Empowerment

CPDC's programs for Empowerment follow a new model. To assure that residents are connected to the resources that they need, three elements are key: community organization and empowerment, case management, and collaborative service delivery. As the owner of the property, CPDC Empowerment staff develops a strong and deep relationship with the residents. All programs are enveloped in the concept of residents working with residents, involvement and service to the community being the best tools to build independent and sustainable strength. Residents overcome problems, enhance life skills, and strengthen family/community support systems. Staff is available to consult with residents as full partners in their efforts to advance their goals. The community service and empowerment facilitated by CPDC's Empowerment serves as fundamental components to all the other programs.

Educational Services

Through educational opportunities given to children and adults CPDC provide assistance in developing and maintaining a strong and sustainable community. The children's successes encourage parents and other residents to commit to their own personal educational goals, creating not just a "brick and mortar" community, but a community working together to create a future of empowerment for itself, its families, and its children; a community of learners.

CPDC believes the youth are the future. In support of their development, CPDC provides partners, programs, and services to achieve a holistic approach to development. Programming includes academic support and enrichment, community service, mentoring, recreation, and technology. These program components are integrated to provide a comprehensive and interdisciplinary approach to learning. The programs use an Internet enabled learning environment to foster exploratory and experiential learning that is applicable across disciplines. Programs focus on improving higher order thinking skills, fostering leadership and empowerment, and promoting life-long learning.

The Gateway@ ...

Integral to CPDC's efforts to provide educational opportunities and based on the foundation created at Edgewood Terrace in Northeast Washington, DC, is CPDC's cutting edge computer learning centers operating at seven of its properties, known as The Gateway@ ...

The labs host adult, senior and kids' computer classes designed to provide the residents with the opportunity to gain basic computer literacy, to access technology, and to gain workforce skills that industry demands. Classes offered include instruction for beginning and intermediate levels of Microsoft Word, Excel, Power Point, and Access, all using Microsoft approved curricula. By completing a series of courses, a student is prepared to take the Microsoft Proficiency Certification test. The Gateway@Edgewood Terrace is an authorized Microsoft testing center, known as ACT. By passing the tests in Word, Excel, and Power Point, the student becomes a Certified Microsoft Office User.

CPDC's classes for youth in grades K-12 combine structured learning opportunities and academic support for students' educational programs. The programs are designed to improve verbal and math skills, as well to increase the ability to reason, analyze, think, and create. Educational software to improve students' academic skills is available. Students also may take computer classes using the same Microsoft software as taught in the adult classes, enabling them to begin their computer literacy training while still in school, and use these computer skills to complete school assignments or for employment purposes.

EdgeNet

A ground-breaking community network resource, CPDC's EdgeNet brings the power of computers and high speed internet access into the apartments of Edgewood Terrace residents. Residents will use EdgeNet as a tool to retrieve and disseminate information, find people and organizations with like interests, issues , and concerns, and find services and resources to improve the quality of their lives. Each unit at Edgewood Terrace I comes equipped with a networked computer device that provides access to word-processing, budgeting, and e-mail applications, a high speed internet connection, and a web-based community information resource. CPDC is directly empowering residents with the technology tools that are revolutionizing the way people communicate, work, and build community.

Employment

CPDC's Employment and Economic Development programs offer change, growth and an array of opportunities. Students are assessed for life/family issues; assessed for vocational abilities and interests; provided with job-readiness classes, including English skills, job search and interviewing skills, career counseling; and provided with counseling, support, and peer mentoring and support during training and following job placement. The principles around which the programs are built are:

- recognizing and enhancing the unique potential of each individual, family, and community;
- assessing and identifying the barriers to employment and economic opportunity;
- connecting residents with resources that remove the barriers;
- identifying individual needs, interests, and aptitudes;
- connecting residents with appropriate training, employment, and concrete career opportunities; and
- providing a system of ongoing support.

CPDC's Employment Program serves as a catalyst and conduit to create fundamental economic change. It provides a road map to self-sufficiency for individuals who traditionally have been left out or stayed out of the advancing workforce. To this end, CPDC facilitates and/or delivers an array of employment and business services designed to enhance job skills and work relations and to connect residents with resources to assist them to move to a state of healthy economic independence.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410

HUD's Neighborhood Networks Help Close the Digital Divide

Project Description: HUD's Neighborhood Networks are innovative private/public partnerships establishing computer-based multi-service centers to help people in public and assisted housing learn critical computer skills and prepare for 21st century jobs. Through the more than 500 Neighborhood Networks, residents can enhance their computer literacy, launch new careers, make the transition from welfare to work, have expanded access to needed health services, and participate in inter-generational learning activities.

Commitment: HUD's commitment is to help close the "Digital Divide" with computer training, Internet access, job readiness support, micro-enterprise development, GED certification, health care and social services, adult education classes and youth services. Our mission is to create vibrant communities that foster economic opportunity and encourage life-long learning. Neighborhood Networks are increasing employment opportunities and access to health and wellness, improve kids' educational performance, empower residents, increase participation by business and community partners and decrease dependency on federal funding.

Resources Provided: HUD has sponsored Neighborhood Networks centers in every state – literally in every corner of the nation. We have over 500 centers now and hundreds more in the planning stages. The initiative has broadened dramatically, responding to residents and communities nation-wide. The partners include local businesses, non-profits, educational institutions, faith-based organizations, civic organizations, foundations, hospitals, community clinics, and federal and state government agencies, as well as the residents and property owners of public housing and HUD-assisted and/or -insured housing. HUD has also formed a partnership with NASA, and together we are striving to bring technology and science to public housing's youth. Events encourage children living in public housing communities to pursue math and science careers, and reach for the stars.

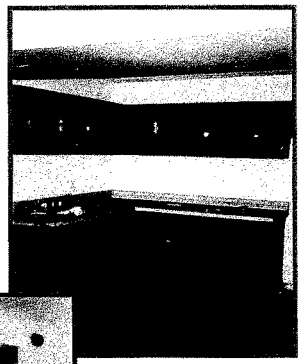
Best Practice/Strategy: HUD's Neighborhood Networks initiative has altered the tone of whole communities and helped residents take charge of their lives. The strategy is to have housing officials partner with computer hardware, software, Internet and technical companies to create computer centers in public and assisted housing communities. Residents take classes, work on homework, and learn computer skills. Our most successful centers have mentoring arrangements with partners such as Americorps, local boys and girls clubs, community colleges and universities. For example, Detroit, Michigan's Martin Luther King Neighborhood Networks Computer Center serves an average of 200 sign-in or 500 users a month, thanks to a close collaboration with the Detroit Public Schools. The site is now used as a public classroom as well as a community technical center. The center offers job search and resume writing (one-on-one coaching), after-school open lab and homework club, basic skills, and introduction to computers every Tuesday afternoon. Over 200 public housing residents have learned how to use a mouse and keyboard.

Point a Kid in the Right Direction: HUD's Neighborhood Networks have pointed thousands of kids in the right direction, steering them toward educational, service and recreational activities in a safe and exciting environment. One success story is the Valley Neighborhood Center in Las Cruces, New Mexico. Since December 1997, this center has helped transform an isolated 66-unit public housing development into an active community with a variety of services from Head Start for small children to job training for adults. Its primary focus is the Teens Meeting Teens program, where teenagers regularly visit the center to do their homework, meet with tutors from the local community college and participate in recreational and service activities including community clean-ups and beautification, food distribution and health awareness presentations. The center's Teens Meeting Teens program has a strong anti-tobacco agenda. In June of 1997, Vice President Gore honored a Teens Meeting Teens member, Chris Navu, for his advocacy against teen smoking. Navu was also featured in an HBO special on tobacco awareness for teens. Five years ago, the property had a 73 percent dropout rate from high school. Now, there is a 0 percent dropout rate and 7 residents have gone on to college.

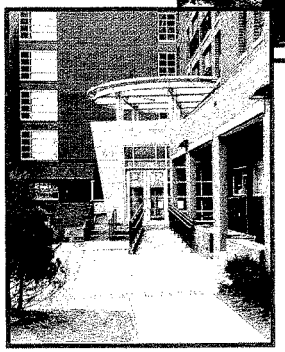
Delivery Sites: HUD has sponsored over 500 Neighborhood Networks community technology centers with hundreds more in the planning stages. For a complete list by state, please visit our website at **www.hud.gov**.

EWT Gardens .....Before CPDC
Edgewood Terrace Mid-Rise
..... *Before* CPDC
Community Preservation and Development Corporation
Edgewood Terrace Mid-rise
..... *After* **CPDC**

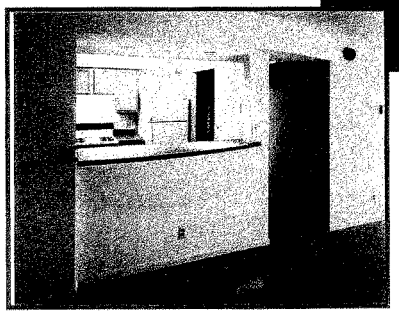
EWT Mid-Rise Rear Entrance Before CPDC



Kitchen Before CPDC



EWT Mid-Rise Rear Entrance
.....*After* CPDC



Kitchen Remodeled
.....*By* CPDC

Community Preservation and Development Corporation

Edgewood Terrace Lobby Before
Edgewood Terrace Lobby
.....After CPDC
Edgewood Terrace Lobby
.....After CPDC
Providing Computing Access to the Internet and Community Intranet from Each Apartment!!
CPDC
Community Preservation and Development Corporation

Gateway Computer Learning Center
Computer & Office Skills
Employment Program (COSEP)
CPDC
Community Preservation and Development Corporation
the gateway
Community Preservation and Development Corporation

COMMUNITY PRESERVATION AND DEVELOPMENT CORPORATION STAFF

Leslie A. Steen, President and CEO of Community Preservation and Development Corporation and Community Housing, Inc. (CPDC) is an expert in housing finance, marketing and community development, with a solid understanding and knowledge of construction. Her unique qualifications are the result of years of experience starting and continuing with active participation in revitalization efforts in her own community and branching into numerous other communities. Her efforts in citizen participation and grass roots self-government, coupled with marketing of housing to marginally qualified households and marketing of real estate in fragile and transitional markets has enabled her to gain insights into the conditions that determine the outcomes of our community revitalization efforts. Over the years Ms. Steen has worked with numerous resident groups and individuals to finding creative solutions to their housing needs and dreams.

In Washington from the mid-1970's until 1985, Ms. Steen worked in market rate, condominium and townhouse homeownership development. In addition, from 1978 through 1985 she developed historic properties as investments, moving into low-income development and syndication in 1983 when she moved to Minnesota. From 1985 to 1987 as the first Executive Director of Twin Cities Housing Development Corporation, a non-profit, affordable housing developer created by the Cities of St. Paul and Minneapolis where, as one of the country's first non-profit organizations to be a sole general partner in syndicated transactions, TCHDC developed and syndicated 12 leasehold cooperatives, which entailed complex, layered finance and tax structuring and resident training and organization. Upon her return to Washington, D.C. in 1987, using her skills in structuring complex financial transactions, she joined National Housing Partnerships as Director of Portfolio Finance, handling work-outs and sophisticated project finance, and then Director of the Affordable Housing Group, providing risk capital for low income housing, tax credit projects.

Lessie Powell Evans, Senior Vice President and Director of Development, joined Community Preservation and Development Corporation in November 1992. While at CPDC, she has structured the financing and managed the development of two mixed income affordable housing projects in the District of Columbia: Southern Ridge Apartments and Edgewood Terrace I Apartments, which total $37 million in development costs. Both projects have a complex mix of public and private financing. She currently manages the acquisitions and development effort at CPDC. Prior to joining CPDC, Ms. Evans was Vice President of The Enterprise Social Investment Corporation (ESIC), a subsidiary of The Enterprise Foundation in Columbia, Maryland. She joined Enterprise in 1985 and was responsible for managing the syndication and loan underwriting staff, as well as developing single and multi-family housing finance models utilizing various sources of public and private financing.

While at ESIC, Ms. Evans managed the corporation's low income housing tax credit syndication program, which included structuring and managing the project investments of three national tax credit funds and eleven local and regional funds and many individual investor projects. Additionally, while at ESIC, Ms. Evans structured financing for projects developed by the Enterprise Construction Corporation. Projects included the 300-unit affordable homeownership project in the Sandtown-Winchester neighborhood of Baltimore, done in partnership with B.U.I.L.D., a coalition of 50 churches, trade unions, and community organizations; and in partnership with the Interfaith Action Communities, Hutchinson Commons, a 85-unit complex for working families in Prince George's County.

Prior to joining ESIC, she was an Assistant Development Director in the United States Department of Housing and Urban Development's Urban Development Action Grants Office. Ms. Evans has a Bachelor's Degree from Morgan State University, Baltimore, Maryland, and a Master's in Public Administration from American University in Washington, D.C. She serves on the boards of Victory Housing, a nonprofit organization providing special needs housing and Enterprise Mortgages, Inc., a provider of permanent financing to developers of affordable multifamily housing projects. She is also co-President of the Trust for Affordable Housing, a nonprofit created to provide low-interest loan funds to nonprofits developing housing for homeless men and women.

Albert J. Browne, Vice President of Community Development Programs, is responsible for the development and direction of Community Preservation and Development Corporation's (CPDC) community development programs. At Edgewood Terrace CPDC's flagship redevelopment Mr. Browne directs the strategic planning and development of the following Community Development Departments: Community Technology Department, Community Empowerment Department, Career Enhancement Department, Youth Development Department, Economic Development Department, Resource Development and Co-Chairs the CPDC Technology and Economic Advisory Council. His understanding of community building techniques, technology, and the impact it will have on the new economy is a tremendous asset to the revitalization of communities with which CPDC is involved.
He identifies and builds partnerships with private sector groups that provide and economic opportunities, resources for CPDC's development efforts, manages CPDC's grants and funding-raising process, manages the relationship with several universities and major corporations and ensures the infusion of technology as a community building tool. Mr. Browne also directs other CPDC community Development projects that include The Connection @Admiral Oaks Annapolis and The Connection @Buckman Road Fairfax, Virginia. Both centers are fully equipped with networked state of the art computers and host a variety of community development programs.

Mr. Browne brings a wealth of social service management and program development experience to CPDC. Before joining CPDC, Mr. Browne spent 10 years as a senior manager and director, with most of his career as a Director at Covenant House (CH), an $87 million-dollar private non-profit and the nation's largest childcare agency in fourteen cities across North and South America. At Covenant House New York, he served as the first Director of the Crisis Center Intake and Assessment Division, and on the Covenant House New York Executive Committee to create Covenant House's community-based programs. He was then asked to develop and oversee the Staff Development Division (of over 400 staff) and Mentors and Volunteers program, which won the President's 1,000 Points of Light Award, and developed Covenant House's Washington Program as Director of Program. Covenant House's Rights of Passage program was visited and heralded by President Reagan, President Bush and First Lady Hillary Clinton, and hailed as a model of innovative successful programming and for partnering with businesses. In 1992 Mr. Browne represented Covenant House at the White House, where he and other national youth service providers discussed programs that work for young people in urban America with President Clinton.

Mr. Browne holds a Masters Degree in Forensic Psychology and is an adjunct Professor at Catholic University of America and Columbia College. He also serves on the Governing Board of the Edgewood Brookland Family Support Collaborative and is on the development team for the Atlanta-based New Horizon youth program.

Susan Robbins Etherton, Director of Acquisitions and Asset Management, is focusing her attention on new acquisitions for CPDC as well as attending to the ongoing asset management of the existing portfolio. Prior to joining CPDC, Susan was a Vice President and officer in the Investment Management Group of Oxford Realty Financial Group, Inc., a Bethesda, MD-based, for-profit, multifamily real estate developer and owner. During her 13-year tenure with Oxford, Susan was involved in development, workouts, asset management, due diligence and financial transactions. In her most recent position there, Susan was responsible for a $300 million portfolio of 34 multifamily assets totaling 7600 units. In addition to the direct day-to-day asset management component of her work with Oxford, Susan was also responsible for all financial transactions relative to her portfolio. Her extensive transactional experience includes both taxable and tax-exempt financing, fixed and variable rate structures, as well as life company and conduit transactions. During her career, Susan has refinanced over $500 million in mortgage debt, negotiated and closed over $340 million tax-exempt bond remarketing and refunding transactions and negotiated and closed over $300 million non-judicial loan workouts.

Prior to joining Oxford, Susan was involved in the development of an asset management group at Equity Properties Investment Corp. (EPIC), a residential real estate syndicator. And prior to EPIC, Susan was the Director of Investor Services for a small oil and gas developer and syndicator out of Buffalo, New York. Susan received her BA in English with Honors from the State University of New York at Buffalo.

Joshua D. Collen, Real Estate Development Analyst, is responsible for working on all aspects of both acquisitions and redevelopment projects undertaken by CPDC. Specifically, he analyzes financing, creates projections and budgets, develops pro formas to structure financing for new projects, and coordinates with brokers on new acquisitions. Prior to joining CPDC, Mr. Collen was an Investment Analyst for the AFL-CIO Housing and Building Investment Trusts. While there he analyzed and prepared initial reviews for new projects; coordinated the Economic Development and HOPE VI Investment Initiatives; identified new investment opportunities; and assisted Investment Officers in structuring transactions and negotiating terms and conditions. Mr. Collen received a B.A. in Urban and Regional Planning from the University of Illinois at Champaign-Urbana, and a Masters of Regional Planning from Cornell University specialization in Housing and Community Development.

Dorothy Robinson Tucker, MSW, LCSW, Director of Program Technical Assistance, is responsible for the provision of services including community outreach, development and support of resident associations, conflict resolution, access to drug and alcohol counseling, family and individual counseling, and an array of services designed to assist residents in becoming more responsible citizens involved in the life of the community. Specific related services include budgeting and financial planning, home maintenance classes, housing counseling , and other offerings designed to assist residents in feeling more personally empowered and capable. Ms. Tucker came to CPDC from Catholic Charities of Washington, D.C., where she served as Director, Division of Family and Children's Services and Deputy Director, Division of Family and Community Services. Her background includes extensive experience in coordinating the provision of community services to a variety of populations and in varied settings. In particular, Ms. Tucker's experience includes life skills and self-sufficiency preparation of young people and public assistance recipients for entry into the world of meaningful employment, as well as direct and consultative involvement in community organizing, networking of service providers, and empowerment of community residents toward effective advocacy and involvement in their communities.

SUBCOMMITTEE ON EMPOWERMENT OF THE HOUSE COMMITTEE ON SMALL BUSINESS
SMALL BUSINESS HEARING – TUESDAY, MARCH 28, 2000

TESTIMONY PRESENTED BY SCOTT MILLS, CHIEF OPERATING OFFICER, BET.COM, LLC

BET.com, LLC ("BET.com") is a joint venture between BET Holdings, Microsoft Corporation, News Corporation, USA Networks and Liberty Digital. The company is majority owned and controlled by BET Holdings and is based in Washington, DC. The company's mission is to educate, empower, enrich and entertain the African American online population.

The BET.com web site, which launched on February 7, 2000, is the first comprehensive online destination designed specifically for African Americans. The site contains over 20,000 pages of original and partner-provided content, robust online communities and leading edge communication features, all tailored to African American perspectives.

African Americans currently underutilize the Internet relative to other ethnic segments. However, African Americans are projected to be the fastest growing online ethnic population in 2000. Forrester Research projects that 40% of the 34 million person African American community will be online by the end of 2000.

The Internet is both the backbone of the digital economy and a powerful personal development tool. Failure by any community to fully utilize the Internet will adversely affect its effectiveness and ability to compete in the 21st century. As a company dedicated to serving the African American online population, BET.com has focused on understanding and developing strategies to address the digital divide.

We believe that market activity, including our own, will eliminate the vast majority of the digital divide facing the African American community. We also believe that the portion of the divide that cannot be bridged by pure market forces should be addressed through a combination of public and private efforts.

A great deal of focus has been appropriately placed on the role economics play in the digital divide. Cost and related issues are impediments for a portion of the African American population that is not currently online. However, changes in PC and Internet Service Provider ("ISP") pricing models are making cost less of an impediment. With the proliferation of free ISPs, free Internet access is now widely available. And, there are now many moderately priced PC/ISP packages and a growing list of low-cost non-PC based Internet access devices available. As a result, consumers can now buy bundled PC/ISP packages for a monthly fee that is less than the cost of basic cable service in many areas.

While these new pricing models decrease the cost barrier, they may raise a credit barrier for some people. However, just as the overall consumer credit market has evolved to include lending to a broad spectrum of credit profiles, we believe the bundled PC/ISP market will follow. In fact, we have had discussions with a number of companies that are negotiating consumer lending agreements for bundled PC/ISP packages that will accept consumers with relatively low FICA scores.

BET.com is planning to deploy two new services based on these pricing models. The first service is a completely free, BET.com-branded ISP. This free service will not require credit approval nor require consumers to surrender excessive amounts of personal data. The service will be available via software download on the BET.com web site and may be distributed via CD ROMs in BET Holdings' magazines. We believe this free ISP offering will be very attractive to African Americans who already own Internet access devices and are seeking a low-cost Internet access alternative.

Our second planned offering is a low-cost bundled PC/ISP package. This offering will provide consumers with a high quality PC, a comprehensive software package, unlimited Internet access and robust customer service for less than $30 per month. Recognizing that credit may be an issue for some, BET.com is evaluating credit facilities that will allow us to provide this package to consumers with relatively low credit scores. We plan to market this service throughout BET Holdings' media properties and to distribute it directly to consumers. We believe that both free Internet access and bundled low-cost PC/ISP offerings will significantly reduce the economic barriers to Internet access.

Cost is not a barrier for a significant portion of the African American population that is currently offline. Instead, weak consumer demand and alternative expenditure priorities are responsible for this segment's underutilization of the Internet. For example, according to the Target Market News report on the Buying Power of Black Americans in 1999, African Americans spent $3.5 billion on cable television subscriptions and only $89 million on online computer services. This lagging consumer demand in the African American community stems from limited targeted marketing of the Internet to African Americans and the relative paucity of online offerings tailored to the community.

Over the past several years, there has been a proliferation of well-funded web sites targeting various affinity groups, including women, Hispanics, Asian Americans and the gay and lesbian community. These sites were able to apply their capital to develop compelling and comprehensive online destinations. However, until recently, African American oriented web sites and Internet ventures had great difficulty attracting the capital required to develop compelling and comprehensive online destinations. As a result, online offerings tailored to African American interests paled relative to those for other affinity groups.

Of course, the appeal of the Internet for African Americans is not limited to culturally oriented web sites. The millions of African Americans currently online visit a vast array

of sites, many having nothing to do with their ethnicity. Thus, notwithstanding the relative paucity of African American sites, one would expect that demand for non-cultural offerings would draw African Americans to the Internet. However, until very recently, most Internet companies, both general market and African American, did not aggressively market their offerings to the African American community. This is evidenced by the historic disparity between the number of advertisements for online services in African American media properties and general market media properties.

Fortunately, this is changing. A number of major, well-funded African American oriented web sites will be launched in 2000. BET.com, which launched on February 7, 2000, is the first of the new sites to enter the market. With $35 million in initial capital and powerful strategic investors, BET.com has the resources to build a comprehensive and compelling online destination for African Americans and to aggressively market its web site to the African American community. By applying these resources, BET.com was able to become the largest and most heavily trafficked African American portal during the first month of its launch. Other similarly resourced sites tailored to the African American and urban communities are scheduled to launch later this year. We believe that the combined effect of the substantial increase in online offerings tailored to African Americans and the active marketing of these offerings to African Americans will significantly increase African American awareness and use of the Internet.

In addition to the growth in the number and size of African American oriented web sites, general market sites have recently begun to develop targeted advertising campaigns for African American consumers.

In conclusion, we believe that African American utilization of the Internet will increase substantially over the next eighteen months as the effects of low-cost Internet access and devices; the deployment of compelling African American oriented web sites; and targeted marketing of the Internet to African Americans are realized. However, there will be a segment of the community for whom these forces will be insufficient. This segment will be best served by combined public and private sector initiatives to bridge the digital divide.

House Committee on Small Business
Subcommittee on Empowerment

"Bridging The Technological Gap:
Initiatives To Combat The Digital Divide"

March 28, 2000

Presented by
Darien Dash, CEO
DME Interactive Holdings

First, I would like to thank the subcommittee for continuing to support this issue of the digital divide and keeping it in front of everybody's minds because we all know how important this is. I have come today without a speech because I wanted to speak from my heart.

I founded my company 5-1/2 years ago with the mission of expanding the hardware and software infrastructure within minority communities. After being in the cable industry for a year and seeing the disparities that were going on between new digital technologies that were being marketed in 1993 and 1994 in African-American communities and Hispanic communities versus majority communities, I decided to do something about it and I quit my job the day after I was married and founded our company in a one bedroom apartment. Last year we became, after self-financing for the first 4-1/2 years, the first African-American Internet company to be publicly traded in U.S. history. For us that is a testament to one thing, and that is that hard work and striving in any community can lead to development and that African-Americans as a consumer group are a true consumer group that represents over $533 billion and there are business models that need to be built.

Our company's whole agenda is to try to perceive a business to people in the communities so that they can be inspired to want to participate in the digital revolution. African-Americans and Hispanics have not perceived the Internet as something that is for them from a business perspective. They have not seen the role models that have represented this Internet generation in the media. Not only have PC manufacturers, ISP's as well as content developers not marketed their e-commerce and content services towards this community, the role models have not been represented in the Forbes 400. The role models have not been represented to African-American and Hispanic youth.

Our company's goal is to be able to build that sort of perception in the marketplace. I am now the chairman of the District 5 Technology Committee in Harlem. What we have done is put together a consortium of public and private partnerships to allow the children in that community to see company names like Oracle involved in this community, company names like Mouse, which is a very big nonprofit in New York that goes in and wires schools, and Eureka Broadband. They see these companies' names and at a young age can start to identify with the technology and the people who are providing these technologies to them.

Our goal is also to be able to support the entrepreneur who wants to put their business online. Our core business has traditionally been in B-to-B where we go out and actually support the Queen Latifahs and the Puff Daddies of the world who are the big role models in the African-American community on putting their businesses online. We provide them with back-end solutions to help them do their e-commerce, content development, strategic planning, and long term planning.

The digital divide from a dial-up perspective has been something that has passed inner city communities today. We have to look long term, we can't just look at today and give dial-up ISP service and PC service and say, hey, we solved the digital divide because that is not true. While these communities are now just starting to catch up in the old school model of Internet we are about to launch the new school model of Internet, which is called I-2. And I-2 is based on broadband and wireless deployment, network computers and wireless devices. What we cannot fail to see is that broadband deployment has to be pushed by the telecommunications companies within these inner city communities, because we cannot put people onto an old system while the whole new generation passes them by, because we would have bridged the gap only to create a new one.

Our company's goal is to continue to support the perspective of these inner city communities as they look at technology and helping them to understand and retain the knowledge of technology, because that really is what needs to happen to bridge the divide.

I applaud all of my peers' efforts in going into our community, and we have recently announced a strategic partnership with America Online to build a relevant branded service called Places of Color, where we can go in and build on a nucleus of training, distance learning, certification, job placement, and relevant content for a price point that is affordable. We are also bundling with PC manufacturers so that we can go in with both solutions. But we have to continue to look outward and look on to the horizon as the rest of our peer groups are doing in this Internet industry and see that broadbands and wireless are the next generation. We also have to in and let these inner city kids realize that they too can participate. It is the economic future of our country that we have a generation of youth that understands technology, embraces it, can deploy it, and can be entrepreneurial with it. Otherwise this country will fail, our economy will fail, and we will continue to look outwardly instead of inwardly for the next generation to support what we are doing.

Remarks of Harris N. Miller
President, Information Technology Association of America (ITAA)

Before The

Committee On Small Business
Subcommittee on Empowerment
United States House of Representatives
March 28, 2000

The ITAA Digital Opportunity Initiative: Encouraging Diversity and Success in the High Tech Workforce

Mr. Chairman, and distinguished members of the Subcommittee, I am Harris N. Miller, President of the Information Technology Association of America (ITAA), representing over 26,000 direct and affiliate member companies. I thank you for inviting me to participate in today's hearing on initiatives to bring computer and Internet exposure to underrepresented groups in the digital age.

Let me begin by saying that the issue of the "Digital Divide", or as I prefer to think of it, the Digital Opportunity —or its perception— is of course important to my industry. Last summer I testified before this subcommittee on why I believe this is such an opportunity for our industry. The importance of electronic commerce and the Internet to the U.S. economy and to American consumers cannot be understated. While estimates of the growth and size of the electronic marketplace vary widely, global e-commerce in 1999 was estimated at US$300 billion, about $250 billion of which took place in the United States. Dramatic growth is occurring in business-to-business and business-to-consumer EC, and more government services are being offered electronically. Given this growth, assuring the opportunity to access technology and to participate in the digital economy is not just an empowerment issue—it's a U.S. economic performance issue and a bottom line issue.

As you know, a 1999 report by the Department of Commerce found that Black and Hispanic households are less likely to have Internet access than White households. The Internet access gap between these households is growing according to the report, as is the difference between rich and poor and most and least educated. Between 1997 and 1998, Internet access jumped 40 percent across the board, but disparities persist when factors such as income, race, education, and household type are introduced.

Do these disparities constitute an unbridgeable divide between information haves and have-nots? And what role should the marketplace as opposed to the government play in addressing the issue?

I do not believe the numerical disparities are unbridgeable, and I believe natural market forces will quickly fill the breach. The opportunity is for technology sellers, including those who create the content to transmit on the Web and those who want to sell

electronically, working with the actual and potential customers, to make this market work. And to realize the Digital Opportunity.

What are some of the factors involved? The World Wide Web is just six years old, yet we see almost one-third of all U.S. homes tapping into the Internet. Typical technology adoption cycles take 20 years; the Web has gone Main Street in less than one-third of that time, a phenomenal rate of adoption. The ranks of Americans online have swelled from 1.3 million in 1993 to an estimated 100 million today. This is in large part a function of price and competition left remarkably unfettered by government regulation. I commend Congress for your restraint in this area. The incredible increase in performance with lower prices brings the Internet within reach to a majority of consumers.

Convenient access is a second critical aspect of a true Digital Opportunity. I submit that while there may be minor regional variations, Internet access is a good situation that is getting better every day. In fact, the FCC reports that over 6000 ISPs offer dial-up service and that 95 percent of Americans can shop from among at least four of these local companies. In classrooms, Internet access has chalked up gains of from 35 percent in 1994 to 51 percent last year, according to the U.S. Department of Education. The onset of new technologies will be an additional push to the Web, with the competition forming up in areas like wireless, cable and digital TV. Convenience and choice are bringing the Internet home to consumers—no matter where those homes happen to be.

Even if we have affordable price and easy access, the Digital Opportunity is still not complete. To assure the widest possible participation in the Internet community, all groups must see themselves as members of that community. One of the best ways to vest people in the future of an enterprise is to involve them in its creation. I refer, of course, to the disturbing lack of participation by minority groups in the information technology workforce. The problem is not small-minded employers raising barriers to entry; rather it is a shortage of appropriately skilled and educated professionals in the applicant pipeline. As an example, in 1998, according to the Computer Research Association's Taulbee Survey, only 10 African Americans received PhDs in Computer Science and only six Hispanics Americas did likewise. Similarly, only 2 percent of undergraduate computer science degrees were awarded to these groups, respectively.

The IT workforce data for minority groups pose a similar challenge. According to an ITAA task report on underrepresented groups, African Americans represent 5.4 percent of all computer programmers and 7.1 percent of computer systems analysts—two of the core jobs in our industry. Hispanic Americans hold 4.6 and 2.5 percent of these jobs, respectively. Native Americans represent only .2% of the total science and engineering labor force, yet they represent .7% of the total U.S. population. These numbers are unacceptably low, both from the perspective of finding this common ground—and, frankly—finding workers period. ITAA has long documented the severe shortage in highly skilled labor needed to perform technology jobs.

In response, ITAA has set itself on a course to attract under represented groups to the IT industry.

Last fall, ITAA organized a Digital Opportunity Initiative intended to create new opportunities for a more diverse cross section of Americans in information technology through comprehensive internship programs, a broad-based business commitment from the employer community and targeted education and outreach. Robert Knowling, President and CEO of Covad Communications agreed to Chair the Initiative and the Industry Advisory Committee that ITAA assembled to lead the Initiative. Working with national policy makers, the Industry Advisory Committee was formed to identify private sector and national government initiatives to promote and increase diversity in the IT workforce. The committee also actively seeks to work with other stakeholder groups from industry, education, and government to ensure that new opportunities exist for underrepresented groups. Companies active on the Committee include EDS, KPMG, The Boeing Company, American Management Systems, MCI Worldcom and many other leading high tech firms.

We have already created a web-based internship program, located at www.digitaljobs.com targeted to attract underrepresented groups. Companies that have already signed on to offer internships include Covad Communications, Lucent Technologies and Cyborg Systems. Located on the ITAA web site, the program connects participating IT employers with minority students from educational institutions, community organizations, and other sources.

Interested companies post internship positions and company profiles on this on password-protected area. Students meeting the general academic requirement of a GPA of 3.0 or better or status at an accredited two or four-year education institution will complete an on-line application and submit their resumes and credentials to ITAA via the web. An ITAA project manager will screen applications to ensure that students meet minimum qualifications. After this basic screening process, student data will be posted to the web site for companies to review. Companies who identify suitable intern candidates can then contact students and follow up with a normal interview process. At the same time, students who are interested in different companies on the web site may also contact these organizations for internship opportunities.

Once a student is hired for an intern position, ITAA will track the student's progress on the job, including periodic evaluations with the student and employer. Internship positions are determined by the employment needs of the participating company. However, these internships will be substantive positions where students have an opportunity to gain practical IT skills.

In the areas of education and outreach, the DOI is working on several fronts. We have reached out to such groups as Black Voices.com, the Black Data Processors Association, Native Visions, and the Society for Hispanic Professional Engineers to work on programs to create awareness about the industry and employment

opportunities available in IT. We are already working with these organizations to create a higher level of understanding about the IT industry.

ITAA has also begun a long term relationship with TechWorld Public Charter School, a school in Washington, DC which prepares students for careers in information technology. ITAA and a number of member companies attended an Open House event at Techworld last October, which kicked off the partnership and highlighted the important role and potential of Techworld and its outstanding, motivated first class of students. Specific areas where ITAA and member companies offer support include curriculum development, internships, materials about IT careers and adjunct instructors. We are currently launching an e-mentoring program to link volunteer ITAA members with students to provide career and educational guidance.

ITAA has also proposed creating a Digital Opportunity Think Tank that would assemble leaders in industry, education, government and community organizations to further explore the reasons behind slowed minority take-up rates and issue white papers and original research on the subject. Such a think tank would serve to educate more people on aspects of the Digital Opportunity.

ITAA's Digital Opportunity Initiative is modest but genuine first step at targeting underrepresented groups, its mission is one that I hope many more companies and interested parties will embrace as the program progresses. I hope that part of the success of today's hearing will be to encourage others to support the initiative and start their own programs to encourage minority participation in IT.

Thank you very much and I will be happy to answer any questions you may have.

TESTIMONY
OF
KATHY BUSHKIN
SENIOR VICE PRESIDENT & CCO

BEFORE THE

UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON SMALL BUSINESS
SUBCOMMITTEE ON EMPOWERMENT

MARCH 28, 2000

Good afternoon, Chairman Pitts and Members of the Subcommittee. On behalf of America Online (AOL) and the America Online Foundation, I appreciate the opportunity to appear before you today. America Online, as most of you know, is an Internet services company based in Northern Virginia. We are committed to building a medium that has the potential to provide enormous benefit to all in our society. Clearly, in order to fulfill that potential, all communities and all people must be able to participate in the new digital economy regardless of income, race, geography or disability. And so, we salute your subcommittee for focusing today on the importance of ensuring Digital Opportunity for all.

Our assessment is that progress is being made in closing the technology gap. Yet, it's also the case that there are still significant disparities in access to and use of the Internet and other new technologies between affluent and educated white households and rural, low-income and minority populations.

When Steve Case started America Online over a decade ago, few believed that interactive technology was more than a hobby for computer enthusiasts. Now there is universal acknowledgement that the online medium is leading to a profound revolution in our society, our civic life, and our marketplace, both in the United States and around the world. Yet, despite the extraordinary growth of the Internet, Americans with low income, low literacy and language barriers are being left behind. A recent report by The Children's Partnership, "Online Content for Low-Income and Underserved Americans: The Digital Divide's New Frontier," estimates that at least 50 million Americans –

roughly 20 percent – face one or more barriers to accessing the benefits of the Internet.

The term "Digital Divide" is commonly used to describe an individual or community's lack of access to computers and online resources. According to data from the U.S. Department of Commerce, this "digital divide" currently breaks along many fault lines, including race, income, education, and geography.

In the 1999 Commerce Department report, "Falling Through the Net," 80% of households with incomes over $75,000 were determined to own computers while only 16% of the poorest families in the country report computer ownership. A white, two-parent household earning less than $35,000 is nearly three times as likely to have Internet access as a comparable black household and nearly four times as likely to have Internet access as an Hispanic household in the same category. Those with a college degree or higher are nearly 16 times as likely to have home Internet access (48.9% versus 3.1%) as those with an elementary school education.

We believe we have a moral responsibility to make sure every person has the chance to succeed. And it's an economic challenge, too. In a networked economy, people who are already connected benefit each time more people are connected. So beyond these statistics on the gap in demographics, there is another issue critical to our future economic health.

The United States is the birthplace of the information revolution, but the American

workforce is not fully ready to reap its benefits. The U.S. Department of Commerce estimates that in just two years, some 60 percent of jobs will require high tech skills. By 2005, the Bureau of Labor Statistics estimates there will be a growth of 70% in technology related jobs. Yet, according to a recent study by the Information Technology Association, more than 340,000 high tech jobs in the United States computer industry remain unfilled.

As Alvin Toffler recently wrote, "the Internet will be the most powerful tool in history for identifying niche needs and markets anywhere in the world, many of which might be filled by the poor. It is one of the paradoxes of globalization that small changes like a Web site and a thousand-dollar loan can make a big difference. The Net can get the message out across borders and turn previously isolated small farmers and craftsmen into entrepreneurs with a worldwide market."

AOL believes that the online medium holds extraordinary promise for low income and underserved communities to join the economic, political and social mainstream. This is why we believe it is so critical to find ways to turn the Digital Divide into digital opportunity. There are four critical elements necessary to achieve the meaningful access to information technology:

- We must ensure that all people have physical, structural access to information technology and the Internet: This includes hardware, software and affordable connectivity.

- We must ensure that people have sufficient skills and training: Not only is it

necessary to have the skills to use the equipment, analytical skills are critical to being able to use the equipment effectively to participate in today's hi-tech workplace.

- We must provide content that is useful and relevant to traditionally underserved communities, including low-literacy content, content with diverse cultural perspectives, content in many different languages, and content reflecting the unique needs of individual underserved communities. And

- We must undertake the necessary public education to ensure that communities appreciate the need to adopt and integrate the new medium – so that these communities can participate in the digital economy and so that their children can be successful in the workplace of the future.

With each of these four agendas in mind, AOL and the AOL Foundation have developed a portfolio of Digital Divide initiatives that seek to maximize the benefits of this medium for all communities.

The AOL Foundation was founded in 1997 to pioneer strategies to use online technology to benefit society, to improve the lives of families and children, and to empower the disadvantaged. The AOL Foundation is committed to bringing the benefits of education technology into the classroom and to make sure those students at all levels are prepared for seizing the opportunity that the information economy presents.

Ultimately the most effective tool must be education to assure that the next generation grows up with the access, the skills and the values that will allow them to be technology literate and full participants in America's civic and economic life. There is an enormous thirst in our schools to do more with technology – but not nearly enough resources to wire all the classrooms, train all the teachers and be sure that all our children have the

best that this information revolution has to offer.

Making sure that every child has access to high-quality technology and well-trained teachers who understand how to integrate technology into the core curriculum should be our number one social policy priority. If we let our schools and our nonprofit organizations continue to play a secondary role in the technology revolution, giving them hand-me-down computers and continuing to debate whether technology matters in education, they will inevitably lag behind our hopes and expectations. We must make every attempt to ensure that those who need support the most get the best of what we have to offer.

We are learning that technology empowers children to become their own best teachers, and teachers to become true guides and mentors in an unlimited adventure in learning. Technology helps young people cut across geographic, ethnic, class, and cultural boundaries, and it can provide high-quality, educational content to every child in America. Properly integrated into teaching and learning, technology is an important cornerstone of education reform. It stands to boost student achievement, making classrooms more learning centered and encourage higher order thinking (rather than rote memorization). It can motivate students and encourage the home-school connections, and most importantly, level the inequities that already exist in educational resources and job readiness skills.

Our Interactive Education Initiative grant program awards seed money to teams of educators, parents and school administrators with innovative ideas for using interactive

technology in K-12 learning environments, especially underserved communities. In 1998, when we announced this program for the first time, we had over 600 applicants for the 50 innovation grants we were awarding. We have now completed two years of this program and awarded over 100 grants to teams of educators and others, and we're learning a lot about what works and what does not.

But schools are not the only solutions to the digital divide, and we know that it will take a long time to fully integrate technology into them. So this past November, an initiative called PowerUP, comprised of more than a dozen nonprofit organizations, major corporations and federal agencies was launched with a $10 million grant from the Steve Case Foundation.

The idea behind PowerUP is quite simple: it's not enough to give young people access to computers and the Internet --- we have to teach them the skills to make the most of that technology and give them the guidance they need to make the most of their lives. Based in schools and community centers around the country, PowerUP not only will provide young people with access to the wide range of content and information on the Internet; it will also help them develop additional skills they need to succeed in the 21st century.

PowerUP will scale quickly and reach thousands of young people because it will leverage partnerships with numerous public and private organizations, and build on thousands of existing community centers, schools and other locations nationwide. PowerUP partners such as AOL, Gateway, Americorps/Vista and the Boys and Girls Clubs of America will

provide technology, funding, trained personnel, in-kind support and other resources to help close the divide between young people who have access to computer-based information and technology-related skills and those who don't.

Another focus of the AOL Foundation's digital divide efforts is rural America. Among all income groups, rural areas have the lowest online participation rate. The AOL Rural Telecommunications Leadership Awards recognize and promote telecommunications innovations that strengthen rural communities. This program is administered by the National Center for Small Communities and was such a success in its first year in stimulating and identifying great projects that we plan to repeat the program in 2000.

To help ensure that the issue of access to the Internet is moved to the top of the social and political agenda across the civil rights community we have recently joined with the Leadership Conference on Civil Rights, LCCR, in a broad-based education campaign. Called the Digital Opportunity Partnership, it includes support for a portal that addresses civil rights, CivilRights.org, and the development of ongoing training and education programs for the nearly 180 LCCR member organizations representing minorities, people with disabilities, the religious community and labor organizations.

In addition to these efforts, and in order to learn more about the landscape of non-profit activity in the Digital Divide area and to help support programs that are taking an innovative approach to addressing this issue, the AOL Foundation received more than 900 proposals from non-profit organizations across the country. With this grant program,

the Foundation hopes to support a few ventures with grants ranging from $25,000 to $100,000. Within the next few weeks, we plan to announce the recipients of these grant awards.

Finally, we believe a role we can play is to use the online medium to serve as a clearinghouse for planning and information collecting/sharing among all industry, non-profit and government organizations working to bridge the Digital Divide. The Digital Divide Network, launched by the AOL Foundation and the Benton Foundation, has developed into an unprecedented collaboration with partners including AT&T, Microsoft, Bell Atlantic, , BellSouth, SBC, Intel, iVillage and Gateway.

As your subcommittee thinks about the Digital Divide, I'd like to offer four principles to keep in mind.

First, keep in mind that we're only at the very beginning of this evolution toward an information society. We are going to see much more innovation and growth so it is critical that we address these social concerns very early on.

Only 35 percent of American households are wired, so when we talk about a Digital Divide, we're really talking about the different paces of adoption, and about a need to ensure greater equity later on. Because we are so sensitive to these issues today, and because we are working with organizations representing all of the communities most at risk of being left behind, we have a great headstart on the problem – even before it

becomes a problem.

Second, it's critical not to forget that this new medium offers at least as much opportunity to bridge the gap between traditional "haves" and "have nots" as it does the possibility of expanding the divide.

Communities that have not had access to traditional investment capital can use this medium for economic development.

Underserved populations who have been marginalized politically can use this medium to have their voices heard.

People who have been unable to participate in our society as a result of disability or geographic isolation can use this medium to become equal participants, politically, economically and socially. So, even as we work to ensure that information technology doesn't exacerbate the gap between "haves" and "have nots," we should look to the technology itself to help lessen these gaps.

Third, keep in mind the important role of intermediary organizations in bridging the Digital Divide. We will simply not see underserved and remote communities fully embracing the opportunities and benefits of the Internet Century until the organizations and agencies that represent them, deliver services to them and advocate on their behalf are, themselves, wired into this new world.

Finally, we believe it is important to make sure entrepreneurs from all walks of life, racial and socio-economic backgrounds are given the same opportunities as Steve Case had 15 years ago when he was able to dream a dream and deliver on his vision.

We have a golden opportunity to make the Internet a medium that serves and empowers all segments of our economy so that its transformative success is truly integrated throughout our society. We believe the time to address the inequities that have arisen in access and use is now, while the medium is still young. It's an easy choice – and a tough task. But, we will meet the challenge if we work together to ensure the twenty first century is about digital opportunity for all and a new opportunity for all Americans to come into the economic and civic mainstream.